



Report No: PAD3430

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT  
ON A  
PROPOSED GRANT

IN THE AMOUNT OF EUR 39.50 MILLION  
(US\$ 48.04 MILLION EQUIVALENT)

TO THE  
REPUBLIC OF TURKEY

FOR A  
SOCIAL ENTREPRENEURSHIP, EMPOWERMENT AND COHESION  
IN REFUGEE AND HOST COMMUNITIES IN TURKEY PROJECT

[RVP/CD CLEARANCE DATE]

Social Development Global Practice  
Europe And Central Asia Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective January 14, 2021)

Currency Unit = EUR

EUR 0.822 = US\$ 1

US\$ 1.216 = EUR 1

FISCAL YEAR

January 1 - December 31

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## ABBREVIATIONS AND ACRONYMS

ASAM	Association for Solidarity of Asylum Seekers and Migrants
BETF	Bank Executed Trust Fund
CIP	Community Implementing Partner
CPF	Country Partnership Framework
DA	Designated Account
DFID	Department for International Development, United Kingdom
EIRR	Economic Internal Rate of Return
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
ESSN	Emergency Social Safety Net
EU	European Union
EUR	Euro
FM	Financial Management
FRIT	EU Facility for Refugees in Turkey
GDP	Gross Domestic Product
GRM	Grievance Redress Mechanism
GRS	Grievance Redress System (World Bank)
GT	Government of Turkey
IA	Implementing Agencies
ISP	Implementation Support Plan
LMP	Labor Management Procedure
M&E	Monitoring and Evaluation
MIS	Management Information System
MoFLSS	Ministry of Family, Labor and Social Services
MoIT	Ministry of Industry and Technology
MOU	Memorandum of Understanding
NDC	National Determined Contribution
NEP	National Economic Program
NGO	Nongovernmental Organization
NPV	Net Present Value
O&M	Operations and Maintenance
PDO	Project Development Objective
PIU	Project Implementation Unit
POM	Project Operations Manual
PPSD	Project Procurement Strategy for Development
SE	Social Enterprise
SGM	Subgrants Manual
SOE	Statement of Expenditures
STEP	Systematic Tracking of Exchanges in Procurement
SuTP	Syrians under Temporary Protection
TDA	(Turkish) Development Agency
TOR	Terms of Reference
US\$	United States Dollars

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## DATASHEET

### BASIC INFORMATION

Country(ies)	Project Name		
Turkey	Social Entrepreneurship, Empowerment and Cohesion in Refugee and Host Communities in Turkey Project		
Project ID	Financing Instrument	Environmental and Social Risk Classification	Process
P171456	Investment Project Financing	Substantial	Urgent Need or Capacity Constraints (FCC)

### Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
05-Feb-2021	31-Dec-2022

Bank/IFC Collaboration

No

### Proposed Development Objective(s)

The PDO is to improve livelihoods opportunities for women in refugee and host communities in targeted areas of Turkey

**Components**

Component Name	Cost (US\$, millions)
Social Entrepreneurship for Women in Refugee and Host Communities	31.62
Community Livelihoods-related Facilities in Refugee and Host Communities	11.56
Institutional Capacity Strengthening and Project Management	4.86

**Organizations**

Borrower: Ministry of Industry and Technology

Implementing Agency: Ministry of Industry and Technology

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	48.04
<b>Total Financing</b>	48.04
<b>of which IBRD/IDA</b>	0.00
<b>Financing Gap</b>	0.00

**DETAILS****Non-World Bank Group Financing**

Trust Funds	48.04
Free-standing TFs for ECA ECCTR Country Unit	48.04

**Expected Disbursements (in US\$, Millions)**

WB Fiscal Year	2020	2021	2022	2023
<b>Annual</b>	0.00	5.00	17.00	26.04
<b>Cumulative</b>	0.00	5.00	22.00	48.04



**INSTITUTIONAL DATA**

**Practice Area (Lead)**

Social Sustainability & Inclusion

**Contributing Practice Areas**

Finance, Competitiveness and Innovation, Fragile, Conflict & Violence, Social Protection & Jobs

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

Risk Category	Rating
1. Political and Governance	● Substantial
2. Macroeconomic	● Substantial
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● Moderate
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Substantial
9. Other	● Substantial
10. Overall	● Substantial

**COMPLIANCE**

**Policy**

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes [✓] No



**Environmental and Social Standards Relevance Given its Context at the Time of Appraisal**

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

**NOTE:** For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

**Legal Covenants**

Sections and Description

The Recipient will have completed, within 60 days, the Subgrants Manual as described in Schedule 2, Section I, 4(a) of the Grant Agreement.

Sections and Description

The Recipient will have completed, within 90 days, the Community Needs Assessments and Market Analyses as described in Schedule 2, Section I, 6 of the Grant Agreement.

**Conditions**

Type	Description
Effectiveness	The execution and delivery of this Agreement on behalf of the Recipient have been duly





	authorized by all necessary governmental action
Type Effectiveness	Description The Recipient has established the Project Implementation Unit, satisfactory to the World Bank, that shall include a financial management specialist, an environmental specialist and a social specialist
Type Effectiveness	Description The Recipient has adopted the Project Operations Manual, satisfactory to the World Bank
Type Effectiveness	Description The Recipient has executed and fully approved Subsidiary Agreements with the Development Agencies, satisfactory to the World Bank
Type Effectiveness	Description The Recipient has furnished a Legal Opinion, satisfactory to the World Bank

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## I. STRATEGIC CONTEXT

### A. Country Context

- Turkey has high growth potential, but recent shocks have affected the sustainability of the economic gains it has made since the early 2000s.** After the global financial crisis in 2008-2009, growth has been increasingly fueled by credit booms and the rapid accumulation of (mostly foreign exchange) private sector debt, together with short-term stimulus policies. These have led to growing imbalances and declining productivity. The situation has been compounded by exogenous factors, including multiple election cycles, regional conflict, and difficult international relations. The ensuing volatility in growth has affected the sustainability of Turkey's economic gains.
- Economic vulnerabilities that had accumulated over the past four years came to a head in mid-2018.** Policy stimulus in the aftermath of the 2016 failed coup attempt led to economic overheating. Though growth accelerated to 7.4 percent in 2017, it came at the cost of double-digit inflation and a large current account deficit. A hardening of external economic conditions in mid-2018, together with tense international relations, led to a collapse of the lira. This profoundly affected the real and financial sectors. Corporates and banks suffered because of high foreign exchange debt, annual inflation peaked at 25 percent in October 2018, the economy went into recession in the second half of 2018, and unemployment spiked from 10 percent in January 2018 to 14 percent in June 2019.
- Over the past 12 months the Turkish economy has experienced major adjustments.** Current account imbalances have declined, banks have reduced their external exposure, and portfolio flows have started to recover. These adjustments have lessened external vulnerabilities that had accumulated in the run-up to the August 2018 currency shock. They have also contributed to a more stable lira, notwithstanding bouts of currency volatility. These developments were supported by some agile policy responses and accommodative global monetary conditions following signs of a slowdown in developed economies. Even so, foreign exchange reserves have eroded over the past two years, exposing Turkey to external market pressures.
- Stagnating output, high costs of production, and high consumer prices have led to significant job losses and falling real wages.** Turkey's economy lost over 800,000 jobs between May 2018 and May 2019. Unemployment among youth is particularly high, jumping from 19 percent to 25 percent between May 2018 and May 2019. Average real wages declined by 2.6 percent between 2017 and 2018, though they have increased recently due to adjustments to the minimum wage. Poorer households have been most impacted because many low-income workers are employed in construction and agriculture – the sectors that saw the biggest decline in jobs. Moreover, the long-term impact of real wage decline is greater for the poorest households, since they have limited coping mechanisms.
- Turkey now faces a two-fold challenge:** in the near term to extricate itself from a downturn while inflation is high, the external environment is weak, and firms are struggling under a weight of debt; and to put in place appropriate policies and institutional settings to support a shift to a sustainable medium-term growth model. The pace and sustainability of Turkey's recovery will depend on reducing economic uncertainty backed by a consistent policy mix. The economy has stabilized in the short term. GDP is projected to record zero percent for 2019 with a rebound to 3 percent and 4 percent in 2020 and 2021, respectively. However, given the high degree of uncertainty in the global outlook, restoring confidence and reducing domestic risk premia with tight monetary stance and effective fiscal policy would be key for sustaining recovery. Rigorous progress in advancing structural reforms such as improving investment climate, deepening financial markets and completing overdue labor market reforms will help to mitigate vulnerabilities, and support growth in the medium term.



6. **Turkey is both a transit and reception country for migrants and refugees and, globally, the country hosts the highest number of refugees.**<sup>1</sup> As a result of the crisis at its southern border with Syria, Turkey has been hosting an increasing number of refugees and foreigners seeking international protection. In addition to hosting more than 3.6 million Syrians<sup>2</sup>, who are under temporary protection, there are an estimated 400,000 asylum seekers and refugees of other nationalities. The country's refugee response has been progressive and provides a model to other countries hosting refugees. However, the magnitude of the refugee and migrant influx continues to pose substantial development consequences for not only the displaced but also the communities into which they settle, contributing to the expansion and overcrowding of settlements, increased demands for urban services (including water supply, sanitation and solid waste services), additional pressure on infrastructure and the urban environment, conflicts over land, and increased competition for employment, housing, and social services. These stresses stretch the limited capacity of urban local governments, including municipalities and other service providers. Apart from the large cities such as Ankara, Istanbul and Izmir, many of the cities hosting a high concentration of Syrians are already located in the more vulnerable or disadvantaged provinces in Turkey, which exacerbates the development challenges.

7. **The Government of Turkey (GT) spent an estimated EUR 31 billion to meet the needs of refugees and hosting communities since the beginning of the Syrian crisis to 2017.**<sup>3</sup> This includes the provision of free healthcare and education possibilities, as well as allowing legal access to the labor market. The international community has also provided over EUR 4 billion since 2016, of which 95 percent is from the European Union (EU).<sup>4</sup> This includes the first tranche of the EU Facility for Refugees in Turkey (FRiT), which is a EUR 3 billion fund launched in 2016 designed to support the GT's hosting of refugees, EUR 600 million in EU support in addition to the FRiT, and over EUR 400 million in bilateral support from EU countries. The SEECO project is a part of a second tranche of FRiT projects to be implemented by the World Bank which includes the Municipal Services Improvement Project in Refugee Affected Areas (P169996); the Formal Employment Creation for Refugees and Turkish Citizens (P171766); the Employment Support and Activation of Work-Able People under Temporary/International Protection and Turkish Citizens Project; and the Agricultural Employment Support for Refugees and Turkish Citizens through Enhanced Market Linkages (P171543). Other donors, UN agencies, international, national, and local civil society organizations, as well as international financial institutions, have also been playing an important role in Turkey's refugee response, implementing a diverse range of programs and projects, accounting for over EUR 200 million spent. These efforts have been geared primarily towards facilitating refugee access to existing public services while strengthening the capacity and responsiveness of state institutions at the national and local levels.

### Sectoral and Institutional Context

8. As of August 2019, 97 percent of Syrian refugees (3.5 million persons) were living in host communities. Turkey also hosts approximately 400,000 displaced persons, mostly from Afghanistan, Iraq, and Iran.<sup>5</sup> The four provinces of

<sup>1</sup> Directorate General for Migration Management. 2019. This PAD uses the term refugee regardless of country of origin, although Syrians are under temporary protection status, and non-Syrians under international protection law. [http://www.goc.gov.tr/icerik6/temporary-protection\\_915\\_1024\\_4748\\_icerik](http://www.goc.gov.tr/icerik6/temporary-protection_915_1024_4748_icerik).

<sup>2</sup> The terms "Syrians" and "refugees" are used in terms of sociological context and widespread daily use, and independent of the legal context in Turkey and Turkish law. Turkey is a party to the 1951 Refugee Convention and 1967 Protocol. It retains a geographic limitation to its ratification of the 1951 UN Convention on the Status of Refugees, which means that only those fleeing as a consequence of "events occurring in Europe" can be given refugee status. Syrian nationals, as well as stateless persons and refugees from Syria, who came to Turkey due to events in Syria after April 28, 2011 are provided with temporary protection.

<sup>3</sup> European Commission. *Technical Assistance to the EU Facility for Refugees in Turkey – Final Report*. October 2018. Refer to: [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/updated\\_needs\\_assessment.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/updated_needs_assessment.pdf).

<sup>4</sup> Ibid.

<sup>5</sup> UNHCR. 2019. "Turkey: Key Facts and Figures July 2019." Available at: <https://www.unhcr.org/tr/wp-content/uploads/sites/14/2019/08/7.1-UNHCR-Turkey-Key-Facts-and-Figures-August-2019-1.pdf>.



Istanbul, Şanlıurfa, Hatay, and Gaziantep host the largest concentration (1.8 million) of Syrian refugees. The proportion of refugees to the total population across host provinces varies substantially, from 1.7 percent in Ankara to 81.4 percent in Kilis. Nearly all refugees in the country live in privately-arranged accommodation, with 63,000 refugees still in seven temporary accommodation centers as of October 2019.

9. Turkish society has demonstrated resilience and innovation in the way it has absorbed displaced Syrians. Turkey has adopted a developmental approach to forced displacement, pursuing policies that have granted displaced Syrians access to services and to the labor market.<sup>6</sup> In addition, the Directorate General for Migration Management under the Ministry of Interior introduced the country's first framework on "harmonization" in 2019, promoting the socioeconomic inclusion of refugees. This *National Harmonization Strategy Paper and Action Plan (2019)* identifies priorities for ministries, central government agencies, local authorities, and nongovernmental organizations (NGOs) on the inclusion of Syrians in municipal services, education, healthcare, social services, and local economies. These approaches have been largely effective in avoiding the marginalization and spatial segregation of refugees so often seen in other hosting environments. It has also kept levels of intercommunal violence relatively low. Strong economic growth and significant foreign aid flows also contribute to a relatively stable environment.

10. In 2016, the GT established the Emergency Social Safety Net (ESSN) program to address the basic needs of the refugee population, with financial support from the EU's FRIT through its humanitarian arm, the Directorate-General for European Civil Protection and Humanitarian Aid Operations. As of March 2019, at a cost of EUR 998 million, more than 1.5 million displaced Syrians had benefited from this multipurpose cash transfer program providing monthly assistance through debit cards to the most vulnerable refugees in Turkey. While the ESSN program has supported Syrians through a critical transitional stage, a major constraint of the program is its sustainability. ESSN beneficiaries need to be encouraged to use the skills and benefits that they have acquired to maintain and improve their economic self-reliance. The GT has developed an ESSN Exit Strategy to encourage the self-reliance of current ESSN beneficiaries by gradually phasing out support to those that can pursue an independent socioeconomic life in Turkey.<sup>7</sup>

11. The vulnerabilities of the refugee population targeted by the ESSN program are multiple and complex. Seventy-six percent of ESSN refugees are poor. A proportion of the refugees suffer from food insecurity and face constraints accessing education, with enduring human capital consequences. The practices of child marriage, polygamy, child labor, and reduced food consumption,<sup>8</sup> commonly adopted to cope with their circumstances, damage ESSN households' longer-term livelihoods capacity. There is some degree of heterogeneity across regions in terms of the dimensions of vulnerability, which speaks to the complexity of the challenges facing refugees. Refugees in Istanbul and the Aegean regions are less vulnerable to poverty, lack of skills, and unreliable income sources than in the rest of the country, but have the highest vulnerability in access to education. Refugees in Anatolia have the least vulnerability to food insecurity, perhaps given the proximity to agricultural activities, but they have limited access to skilled labor opportunities. Refugees in the Southeast have better access to education but the highest vulnerabilities in food security and language skills. The single unifying pattern is perhaps that refugees in all regions resort to coping strategies that impact on the productive capacity of the household, its resilience, and its ability to face adversity in the future.<sup>9</sup>

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<sup>6</sup> Law No. 6458 on Foreigners and International Protection passed in 2013 and Regulation No. 29153 on Temporary Protection of Syrians in 2014; in 2016 the GT passed new legislation that offered Syrians who had been in the country for at least six months the right to work legally.

<sup>7</sup> The ESSN program is implemented nationwide in partnership with the Ministry of Family, Labor and Social Services (MoFLSS), the World Food Programme (WFP), and the Turkish Red Crescent.

<sup>8</sup> UNHCR. 2017. *3RP Regional Refugee & Resilience Plan 2017-2018 in Response to the Syria Crisis: Turkey*.

<sup>9</sup> Cuevas, P. Facundo, O. Kaan Inan, Aysha Twose, Cigdem Celik. 2019. *Vulnerability and Protection of Refugees in Turkey: Findings from the Rollout of the Largest Humanitarian Cash Assistance Program in the World*. World Bank and World Food Programme. available at <https://openknowledge.worldbank.org/handle/10986/31813>.



12. The ESSN Exit Strategy proposes inclusive business and employment models that link refugees to economic opportunities by building self-reliance and strengthening their resilience. Social enterprises (also referred to as “SEs”) play an important role in the GT’s vision, presenting an innovative socioeconomic opportunity that can bring about the dual benefit of jobs for refugees and host community members while focusing on local social needs and benefits. Although social entrepreneurship<sup>10</sup> models acknowledge the need for sustainable profit under competitive market conditions, they differ from mainstream entrepreneurship in their aim to create positive social, cultural, or environmental impacts, and/or social returns. This makes social enterprises an important alternative to conventional corporate social responsibility models. Accordingly, the ESSN Exit Strategy explicitly notes: (i) entrepreneurship will be an important avenue to promote inclusion, *with social entrepreneurship a feature of economic mainstreaming of displaced Syrians*; (ii) the importance of moving from social assistance for refugees to forms of support focused on *both* refugees and host communities; (iii) the negative impacts of the exclusion of women as active participants in the local economy; and (iv) the importance of social cohesion to meet peace/stability goals as well as economic goals.

13. Despite the highly responsive efforts of the GT, a number of factors affect the levels of cooperation within communities. These include the protracted nature of the displacement crisis, the decreasing likelihood of near-term return, the declining economic performance within Turkey and therefore economic stresses on communities, the enduring cultural and social distance between refugees and host communities, and the broader regional political volatility. In addition, there is a perception that Syrians, in particular, outcompete hosts for low-wage jobs, and are pushing rents up and putting pressure on public services. NGOs working within communities have developed efforts to enhance cohesion with activities focused on multiculturalism and joint refugee/host community social activities. However, the language barrier is an important factor hindering socioeconomic harmonization, especially for women and children.<sup>11</sup> Differences in education levels also remain a challenging issue, with the most optimistic estimates indicating that approximately 30 percent of Syrians in Turkey have had no education, and approximately 61 percent have, at most, a secondary education.<sup>12</sup> Turkish authorities have also indicated a commitment to social inclusion and have expanded opportunities for displaced Syrians, despite sensitivities. While this is done cautiously, local and national authorities are cognizant of the need to improve social stability and inclusion within host areas. Municipalities have been particularly innovative in their efforts to accommodate refugees by offering free language courses, instituting social support programs, permitting a degree of legal flexibility for Syrians opening businesses, and in Bağcılar, for instance, encouraging Syrians to participate in advisory citizens’ councils.<sup>13</sup>

14. In many host areas, there are multiple issues to be resolved to support investments in social entrepreneurship. By March 2019, only 31,185 Syrians had received work permits.<sup>14</sup> The low number of work permits issued is considered indicative of the information, language, and skills barriers facing the refugees. This figure may also partially be explained by location-related disincentives to formal economic participation (a refugee’s place of registration determines where they can seek formal work) and the responsibility placed on firms regarding work permits. More than two-thirds of Syrian households are unable to rely on predictable job opportunities and those who work in the informal sector may face exploitation and poor working conditions.<sup>15</sup> At the same time, refugee reliance on informal work creates a perception among host communities that refugee-owned businesses and refugee workers are able to skirt regular taxation or regulations, thereby being able to charge reduced prices and thus outcompete local businesses.

<sup>10</sup> Stanford Social Innovation Review. September 2017. retrieved on 25 June 2019.

[https://ssir.org/articles/entry/applying\\_social\\_enterprise\\_to\\_refugee\\_settings](https://ssir.org/articles/entry/applying_social_enterprise_to_refugee_settings).

<sup>11</sup> Erdoğan, Murat. 2017. *Syrians-Barometer-2017*; International Crisis Group. 2018. *Turkey’s Syrian Refugees*; UN Women and ASAM. 2018. *Needs Assessment of Syrian Women and Girls*.

<sup>12</sup> Erdoğan, Murat. 2017. *Syrians-Barometer-2017*.

<sup>13</sup> Kirisci, Kemal, Jessica Brandt, et al. *Syrian Refugees in Turkey: Beyond the Numbers*. Brookings. June 2018.

<sup>14</sup> Ministry of Family, Labor and Social Services, 2019.

<sup>15</sup> Inter-Agency Coordination Turkey. *Regional Refugee Resilience Plan 2019-2020*. Turkey Chapter. 2018. Outcome monitoring report.



15. With regard to women, there are also significant gaps in access to employment and self-employment opportunities for both refugee women and women from Turkish hosting communities (see also Annex 3) that warrant a particular focus on supporting women's entrepreneurship and women-owned social enterprises. Only 32 percent of Turkish women of working age are employed, compared to 72 percent of Turkish men.<sup>16</sup> Further, 7 percent of Turkish men are employers compared to 1 percent of Turkish women.<sup>17</sup> Barriers to Turkish women's entry into entrepreneurship include lack of access to finance, lack of skills, and social norms related to marriage and childcare. Syrian refugee women in Turkey face significant challenges in accessing formal employment. According to results from a UN Women survey,<sup>18</sup> 85 percent of Syrian women were unemployed in Turkey. Only 10 percent of female respondents stated that they work in a regular income-generating activity, while 5 percent make their living from irregular or seasonal work. Syrian refugee women who are working are often limited to informal work opportunities with low wages, which can be equivalent to a third of the minimum wage.<sup>19</sup> Traditional gender roles and care responsibilities are important factors preventing Syrian women from working outside the home, as are limited information and support for job-seeking, and the low potential for Syrians to obtain work permits.<sup>20</sup>

16. In July 2019 there were 1,664,480 Syrian women registered under temporary protection in Turkey, of which 48 percent are under the age of 18. Nearly half of the Syrian female population (women and girls) are benefitting from the ESSN program; and 40 percent of ESSN households are headed by women.<sup>21</sup> Women refugees are particularly disadvantaged, often placing their children at greater risk. A World Bank assessment (2017) sheds light on the change in intrahousehold dynamics and patriarchal codes within displaced Syrian communities in Turkey. The pressure to work often affects women and children, forcing families to exploit child labor. Before the forced displacement of Syrians, Syrian patriarchal practices expected the male to be the sole breadwinner of the family. However, after the move to Turkey, the absence of some male household heads, and rising unemployment among displaced men, it has become necessary for women to secure a livelihood. The research found important challenges to Syrian refugee households, and hence to women, especially concerning tensions such as gender-based violence within families. In such situations, and particularly within single parent households, children are also often employed informally. The research data suggests that more male than female children are working, at the expense of their education and future economic prospects.<sup>22</sup>

17. Despite the challenges, Syrian refugees are creating jobs and participating in the Turkish economy by establishing their own businesses – five Syrian businesses are established each working day. There is emerging evidence that despite the struggle to obtain employment, displaced Syrians in Turkey are contributing positively to the local economy and to the creation of new enterprises. Many micro, small, and medium enterprises have been established as startups in Turkey, owned by Syrians or run jointly by Turkish citizens and Syrians. The total number of Syrian-owned businesses in Turkey, including informal (unregistered), is estimated at 10,000, constituting almost one fifth of the foreign-owned companies in the country. According to a recent report, 39 percent of Syrian entrepreneurs plan to establish an additional business in Turkey, and 76 percent intend to retain their businesses in Turkey while expanding their businesses in Syria. As of June 2019, there were 15,160 companies in Turkey with at least one Syrian refugee partner. Estimates put total Syrian capital invested in Turkey at US\$1.0-1.5 billion.<sup>23</sup>

<sup>16</sup> Turkstat, 2018.

<sup>17</sup> Cebeci, T. 2014. *Performance of Female Employers in Turkey*. Ministry of Family and Social Policies of the Republic of Turkey and the World Bank; Okten, K. 2014. *Female Entrepreneurship in Turkey: Patterns, Characteristics and Trends*. Republic of Turkey and the World Bank.

<sup>18</sup> UN Women and ASAM. 2018. *Needs Assessment of Syrian Women and Girls*.

<sup>19</sup> TISK & HUGO (2015). "Türk İş Dünyasının Türkiye'deki Suriyeliler Konusunda Görüş, Beklenti ve Önerileri." [online] Ankara: MATSA. Available at: <http://tisk.org.tr/tr/e-yayinlar/353-goc/353-goc.pdf>. accessed July 24, 2019.

<sup>20</sup> UN Women and ASAM. 2018. *Needs Assessment of Syrian Women and Girls*.

<sup>21</sup> Directorate General for Migration Management as of July 18, 2019. retrieved on August 2, 2019.

<sup>22</sup> World Bank. 2017. *Syrians' Employment Opportunities and Challenges in Turkey*. Qualitative assessment (unpublished).

<sup>23</sup> Building Markets. 2018. "Turkish-Syrian Business Partnerships: A Nascent Opportunity."





18. The COVID-19 pandemic has further heightened the needs of refugees and host communities and placed significant pressure on the resources of communities. While the full extent of this is yet to unfold, the livelihoods impacts of COVID-19 on the beneficiaries targeted under the project are due to a number of compounding factors: women are more likely to work informally, missing the social assistance benefits provided to employees; sectors where women work (including agriculture, forestry, manufacturing, retail, and education) have been adversely affected, which can result in women losing jobs at higher rates than men; and women's livelihoods also suffer when they take on increased caretaking responsibilities. In April 2020, 1.5 million women have left the work force.<sup>24</sup> In the 20-39 age bracket, this decline in workforce participation is sharper for women than men (2.9 points decrease for women versus 2.5 points decrease for men). At the same time, access to services have decreased, as elsewhere, for refugees and host community members and this will have a disproportionate effect on women, who will take up more of the household roles (e.g. for childcare and seeking health services). A survey conducted by Turkish Red Crescent, found that 61 percent of those households in need of health services (for disabilities, chronic illnesses or pregnancy) reported that COVID-19 has affected their access to service.<sup>25</sup> Both refugee and host community women have also faced increased levels of domestic violence during the crisis,<sup>26</sup> and the pandemic has overstretched local resources, with the inevitable competition for resources decreasing trust between communities and reducing social cohesion.<sup>27</sup> Impacts on voice and accountability, and access to information although not limited or specific to refugee and host community women, are also likely to affect the engagement of these groups.

19. Recent analysis on approaches at the nexus of humanitarian and development interventions in situations of forced displacement suggest this promising trend may be amplified with targeted efforts to address barriers to inclusion (social distance and cohesion challenges in particular) and economic opportunity among women; and provide support to fill service gaps and for social entrepreneurship, with benefits for hosts and the displaced alike.<sup>28</sup>

### C. Relevance to Higher Level Objectives

20. The proposed project is aligned with the World Bank Country Partnership Framework (CPF) covering the period 2018-2021, which is aligned with Turkey's 10<sup>th</sup> Development Plan. In particular, it supports the achievement of Focus Areas I (Growth) and II (Inclusion) through the following objectives: (i) *Objective 2: Enhanced Access to Finance for Underserved Markets*; (ii) *Objective 5: Increased Labor Force Participation of Women and Vulnerable Groups*, by helping women and youth within refugee and host communities transition into sustainable economic opportunities and increasing social cohesion.

21. The project will support the broader response of the GT and its development partners to the refugee crisis. In

<sup>24</sup> The World Bank, 2020, Turkey Economic Monitor Report.

<sup>25</sup> Recent surveys have shown that refugee access to services (including health and education) has decreased. Relief International, 2020. Impact of the COVID-19 Outbreak on Syrian Refugees in Turkey; Turkish Red Crescent, 2020. Impact of COVID-19 on refugee populations benefiting from the Emergency Social Safety Net (ESSN) programme. Assessment Report.

<sup>26</sup> Unker, P. & Bellut, D. Domestic violence increases in Turkey during COVID-19 pandemic. DW. 10 April 2020. Available at: <https://www.dw.com/en/domestic-violence-rises-in-turkey-during-covid-19-pandemic/a-53082333>; United Nations Turkey, 2020. Aygaz and UN Women stand by women against increasing domestic violence during the Covid-19 lockdowns. Available at: <https://turkey.un.org/en/45478-aygaz-and-un-women-stand-women-against-increasing-domestic-violence-during-covid-19-lockdowns>.

<sup>27</sup> Heinrich Boll Stiftung, 2020. Migrants and Refugees in a Time of Pandemic: Access to healthcare services in Turkey. Available at: <https://eu.boell.org/en/2020/05/18/migrants-and-refugees-time-pandemic-access-healthcare-services-turkey>.

<sup>28</sup> International Center for Migration Policy Development. November 2018. Working Paper: "Assessing the Development Nexus in Turkey." at <https://reliefweb.int/report/turkey/working-paper-assessing-development-displacement-nexus-turkey-november-2018>; and Maegan Hendow. Bridging Refugee Protection and Development Policy Recommendations for Applying a Developmental -Displacement Nexus Approach. International Center for Migration Policy Development. January 2019. Also see Ray Salvatore Jennings, Nat Colleta et al. Political Economy and Forced Displacement: Guidance and Lessons from (Country Case Studies). World Bank. 2014.



addition to the 10<sup>th</sup> and 11<sup>th</sup> Development Plans,<sup>29</sup> the project will be aligned with key national strategies, such as *the National Strategy for Regional Development (2014-2023)*, *the National Economic Program (NEP) (2019-2021)*, and *the National Harmonization Strategy and Action Plan (2019)*. More specifically, it is consistent with the *Turkey Entrepreneurship Strategy and Action Plan (2015-2018)* and supports *the Emergency Social Safety Net (ESSN) Exit Strategy (2018)*. The project will also scale up activities and build on lessons learned in the ongoing projects and analytical work funded by the EU under the FRIT to date.

22. The project design and implementation modality will also ensure careful attention is paid to the gender and citizen engagement World Bank corporate priorities, both of which are central to the development of an inclusive and responsive approach to the issues of social cohesion in host communities, and the economic inclusion and independence of refugees. Climate change co-benefits **have also been considered and documented in the project design**.

## II. PROJECT DESCRIPTION

### A. Project Development Objective

#### PDO Statement

The PDO is to improve livelihoods opportunities for women in refugee and host communities in targeted areas of Turkey.

#### PDO Level Indicators

- PDO 1. Percentage of beneficiaries (social entrepreneurs and employees) whose earnings have increased as a result of project interventions.
- PDO 2. Percentage of beneficiaries reporting that access to project-supported livelihoods facilities enables their participation in social enterprises.
- PDO 3. Percentage of refugees and host community beneficiaries reporting that project activities have improved cooperation between refugees and host communities.
- PDO 4. Percentage of project-supported social entrepreneurs reporting that: (a) support services; (b) subgrants, meet their needs.
- PDO 5. Total number of refugee and host community member beneficiaries supported under the project.

Each indicator will be disaggregated by refugees/host communities, and gender.

### B. Project Beneficiaries

23. The beneficiaries of the project will be refugees and host community members in provinces with high numbers of ESSN beneficiaries. In total, an estimated 19,000 refugee and host community members will be directly supported through project activities. The majority of overall project beneficiaries will be refugees, most of whom will be ESSN recipients. Among ESSN recipients, the project will directly target those that are better off (either non-poor or close to the poverty line), with the aim of helping this group graduate from the ESSN.

24. For Component 1, at least 70 percent of the beneficiaries of social entrepreneurship support services and subgrants will be women, and 30 percent will be youth (both women and men, ages 18-29).<sup>30</sup> More than 50 percent of

<sup>29</sup> The 11<sup>th</sup> Development Plan was approved on July 18, 2019 during preparation, however the CPF is aligned with the 10<sup>th</sup> Development Plan.

<sup>30</sup> This distinction for young women is proposed to encourage joint initiative and to focus targeted support on activities that would benefit and motivate young people. Accounting for the number of women that may engage in the project as “youth”, it is anticipated that about 80 percent of the beneficiaries of Component 1 will be women by the end of the project.





subgrant recipients in this component will be refugees, and beneficiary selection will give preference to ESSN recipients. A total of over 4,400 beneficiaries will be provided with training to incubate or accelerate social enterprises resulting in over 3,720 social enterprise startups or expansions. Male household members of all ages will be able to benefit from a set of support trainings. Component 1 is also expected to directly benefit a large number of ESSN recipients by creating jobs (an estimated 2,000 people will be employed by project-supported social entrepreneurs). Beneficiaries of the training and subgrants will bring increased and/or sustained income to the whole household, and the goods produced and services provided in refugee and host communities will bring benefit to the larger community. Component 2 will benefit not only the social entrepreneurs, but also a broader group of refugee and host community members through their use of the community livelihoods facilities. It is estimated that the project will reach 11,000 beneficiaries as a result of Component 2 local livelihoods investments. The beneficiary refugee and host community members live in about 45 mahalles in 11 provinces (see Table 1). Given household-level impact of improved economic opportunity (on large households), *indirect* beneficiaries are estimated at nearly 100,000.

**Table 1: Refugees by Province and by Share to Total Population**

Province	Number of Syrian Refugees (August 2019)	Share of Refugees to Total Population (%)	Share of Total Refugee Project Beneficiary Pop. (%)
Gaziantep	443,290	21.85	20.65
Adiyaman	24,951	4.00	1.16
Kilis	116,037	81.41	5.41
<b>Silkroad TDA</b>	<b>584,278</b>		<b>27.22</b>
Hatay	429,923	26.67	20.03
Osmaniye	49,254	9.22	2.29
Kahramanmaraş	89,553	7.82	4.17
<b>Eastern Med. TDA</b>	<b>568,730</b>		<b>26.50</b>
Şanlıurfa	430,537	21.15	20.06
Diyarbakır	33,389	1.93	1.56
<b>Karacadağ TDA</b>	<b>463,926</b>		<b>21.62</b>
Adana	240,870	10.85	11.22
Mersin	201,291	11.09	9.38
<b>Çukurova TDA</b>	<b>442,161</b>		<b>20.60</b>
<b>Mardin</b>	87,217	10.52	4.06
<b>Tigris TDA</b>	<b>87,217</b>	10.52	<b>4.06</b>

Source: Ministry of Interior, Directorate General for Migration Management. August 2019.

25. Institutional beneficiaries, supported under Component 3 will include the Ministry of Industry and Technology (MoIT), participating Turkish Development Agencies (TDAs), and local authorities (municipalities and Governor’s offices), primarily those with high refugee populations engaged in efforts to improve the socioeconomic inclusion of refugees and cohesion in affected communities. NGOs familiar with target communities will also benefit from their role in implementation.

26. The final selection of provinces targeted by the project ensures relevance to the PDO, and complementarity with other FRIT-financed projects. The project will be implemented in 11 provinces near the Syrian border: Gaziantep, Adiyaman, and Kilis; Hatay, Osmaniye, and Kahramanmaraş; Sanliurfa and Diyarbakir; Adana and Mersin; and Mardin.

### C. Project Components

27. The project is designed to address the key constraints to livelihoods of women in targeted areas of Turkey, with a particular focus on improving the livelihoods opportunities available to female refugees living in households that receive the ESSN. The project includes mechanisms to address the lack of access to capital and skills to start successful



enterprises, the lack of guidance and support for new entrepreneurs, the limitations on the time available for livelihoods activities, the limitations imposed by traditional norms, the additional constraints placed on the target beneficiaries due to the impacts of COVID-19, and the lack of knowledge of the Turkish language. In addition, by bringing together refugees and host communities, the project also promotes collaboration between the groups, improves acceptance of cultural differences, and addresses common constraints for vulnerable refugee and host community members.

28. The project is specifically designed to contribute towards the ESSN Exit Strategy. It will focus on different segments of the population receiving the ESSN, identify their constraints to making a living, and tailor different activities (such as the support system and focus grants or the type of livelihoods facilities) to enable that specific group of people to improve or reestablish their livelihoods. Households within host communities with similar characteristics will be encouraged to participate in these tailored activities. While more than 50 percent of beneficiaries of activities will be refugees, including host community members with similar characteristics and constraints is expected to also benefit refugees, as host communities are likely to be more accepting of refugees if they see how funds to support the refugee crisis also address host community needs.

29. The component design helps the project to focus on the needs of the 30 percent of the refugee population currently living in Turkey that are vulnerable, and on their surrounding host communities. The recently completed evaluation of the ESSN program highlighted the multidimensional vulnerability of Syrian refugees, including poverty and resources, basic services, food security, coping capacity, household composition, skills and livelihoods, and household debt burden, all exacerbated by the devastating effects of COVID-19, of lockdowns and loss of livelihoods.<sup>31</sup> Increasing access to resilient economic opportunities is thus a key component of achieving protection and lasting solutions for refugee wellbeing. Economic inclusion requires access to labor markets, finance, and/or access to the services and facilities that would support entrepreneurs to establish income-earning businesses.<sup>32</sup> However, access to jobs is not straightforward, especially for women, and tackling these multidimensional issues through a social entrepreneurship model helps to address a number of the constraints women face as household breadwinners, and as individuals in need of economic and social empowerment.

30. The project will engage refugees and host communities as economic actors – agents of their own socioeconomic inclusion in Turkey – through its support for the creation and development of social enterprises and for sustainable access to livelihoods facilities that bring benefits to women from both refugee and host communities, and boost local economies and generate local employment.<sup>33</sup> Project activities aim to close the gender gap in access to economic opportunities and entrepreneurship support experienced by Syrian refugee women and women in Turkish hosting communities. In addition, newly established or existing social enterprises will bring together refugee and host community members in pursuit of shared socioeconomic goals, which will positively impact the local economy. Along with the new jobs created, the social enterprise focus of the project will help the beneficiaries of subgrants, support services, and livelihoods facilities find innovative solutions to pressing social issues in the host communities and broader society. As such, the project will serve to bolster refugees' and host community members' agency, dignity, and self-reliance.

31. Turkey has recently started to develop a social entrepreneurship policy agenda, and a nascent legal framework is under development.<sup>34</sup> Within the social entrepreneurship ecosystem, the inclusion of refugee entrepreneurs, i.e.

<sup>31</sup> Cuevas, P. Facundo, O. Kaan Inan, Aysha Twose, Cigdem Celik. 2019. *Vulnerabilities and Protection of Refugees in Turkey*.

<sup>32</sup> UNHCR. *Refugee Livelihoods and Economic Inclusion 2019-2023*. Global Strategy Concept Note.

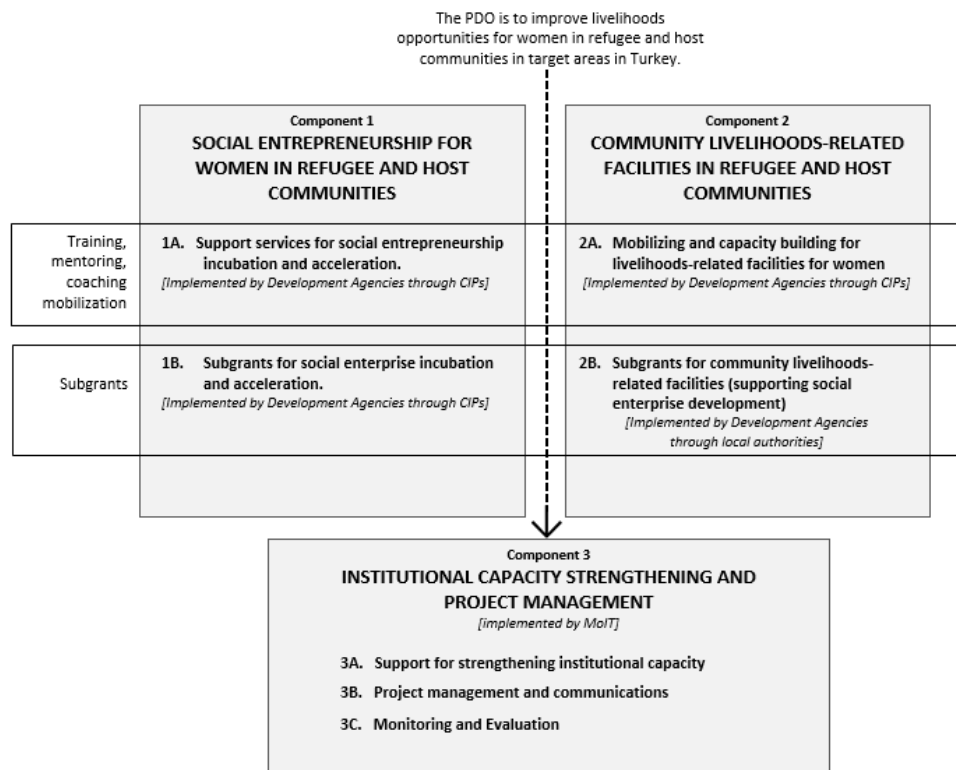
<sup>33</sup> According to the British Council Turkey's recent research, *The State of Social Enterprise in Turkey*, there are around 9,000 social enterprises established in Turkey, based mostly in large cities, with the majority focusing on the education and manufacturing sectors. Social enterprises vary in size of between 1-10 employees. Notably, 55 percent of the enterprises are owned by women.

<sup>34</sup> The regulatory framework does not differentiate between "social businesses" and other forms of business; however, recognizing this as an emerging segment, the GT is developing a new Law on Social Enterprises. In the current legal context, social enterprises can include: (i) social cooperatives; (ii) companies prioritizing a "social purpose" where no dividend sharing revenues are reinvested in the company; and (iii) NGOs,



engaging refugees themselves in creating viable and sustainable business solutions that address their problems, has received increasing attention, and some practical models are being tested in this area. The social entrepreneurship approach to economic inclusion of refugees has also been supported by a subcomponent of a smaller project supported by FRIT 1 and implemented as a Bank-Executed Trust Fund.<sup>35</sup> This activity aims to create a sustainable business model by which women in Syrians under Temporary Protection (SuTP) communities are able to generate sustainable income from self-employment and/or home-based activities. Building on previous successful experiences of social enterprises in Turkey, this pilot activity is currently being implemented in three provinces, Istanbul, Ankara, Mersin, and focuses on women who are “locality-bound”, with a clear desire and ability to engage in income-earning opportunities and with the skills needed to develop a microbusiness around a marketable good or service. This Bank-Executed Trust Fund project is now in the initial stages of implementation. Early lessons include: (i) childcare facilities are key for women who are attending language and business skills training; (ii) refugee women are in need of basic and intermediate-level language skills to help them with their chosen activity; (iii) stipends and in-kind support are needed for Syrian women under training to cover the costs of transportation, meals, etc; and (iv) due to macroeconomic instabilities and higher rates of unemployment in the country, Turkish women from host communities need more incentive to engage in entrepreneurial activities, as they prefer to work in regular income jobs. These early lessons have informed the design of the components described below. Given the interest in developing social entrepreneurship as a tool for inclusion and for economic opportunity, learning from project activities has the potential to contribute significantly to the emerging dialogue and policy discussion around social enterprise development in Turkey.

**Figure 1: Project Diagram**



NGO-owned companies, etc.

<sup>35</sup> Strengthening Economic Opportunities for Syrians under Temporary Protection and Turkish Citizens in Selected Localities (P165687).



32. Building on the experience of social enterprise in Turkey to date, the project will be implemented through three components, as illustrated in Figure 1. The social enterprise, livelihoods facilities, and institutional support components together meet the following economic, social, and institutional goals: (i) to expand economic opportunities for mostly women refugee and host community members through support for social enterprises and vital livelihoods facilities; (ii) to improve social cohesion between refugees and host communities through social enterprise development and participatory engagement in livelihoods facilities; and (iii) to enhance the institutional capacities of the MoIT, TDAs, local authorities, other relevant government agencies, and local development partners to support women's social enterprises.

**Component 1: Social Entrepreneurship for Women and Youth in Refugee and Host Communities** (EUR 26.00 million total: *Silkroad TDA* (EUR 7.20 million); *Eastern Mediterranean TDA* (EUR 7.20 million); *Karacadağ TDA* (EUR 5.80 million); *Çukurova TDA* (EUR 4.30 million); and *Tigris TDA* (EUR 1.50 million).

33. Component 1 will finance activities to support social entrepreneurship in refugee and host communities in the target provinces (see para 24). The project defines a social enterprise to include profit-making businesses that *prioritize social or environmental impact while reinvesting profit primarily in their mission and/or benefitting target social groups through employment or other activities that may increase their income.*<sup>36</sup> For the purposes of the project, this includes, inter alia, businesses that are established with the mission of employing, or self-employing, refugees and other vulnerable members of the community (e.g. disabled, at-risk youth, etc.). As described in Box 1, socially-oriented businesses will operate under the legal status of cooperatives, limited liability companies, sole traders, associations, corporations, and foundations. Recognizing that the social enterprise sector is nascent in Turkey, particularly in project areas in southeastern Turkey, the project is adopting a broad definition of social enterprises to promote maximum engagement and opportunity for target beneficiaries.

34. This component will directly benefit those receiving startup support services, subgrants, and employment in social enterprises; indirect beneficiaries are the buyers of goods and users of services provided by the social enterprises. Subcomponent 1A will finance support services for social entrepreneurs and Subcomponent 1B will fund subgrants for the incubation or acceleration of social enterprises. The elements of this approach aim to maximize the potential for success of the project-supported social enterprises and enables the participation of less-privileged women and youth in social entrepreneurship. Activities financed under Component 1 are also linked to the livelihoods activities and investments described under Component 2. The selection of beneficiaries is described in para 43.

35. Activities in this component will be implemented by the TDAs (working with Community Implementing Partners (CIPs)) in an agreed number of cycles. Each cycle will start with the selection of beneficiaries (new and/or existing social entrepreneurs). Selected beneficiaries will receive training and coaching, and then be supported in submitting applications (in the form of business plans) for incubation or acceleration grants. Recipients of those subgrants will then be provided with continued mentoring. A single cycle, from selection of beneficiaries to the end of mentoring support, is expected to last 18 months.<sup>37</sup> For details of the implementing arrangements, see Section III.

36. **Distribution of funds.** Although there are adjustments for the overall population of women and youth, for poverty, and for fragility, the distribution of funds across the provinces is driven by the number of refugees hosted in each province (see Table 1). Each TDA will be given the opportunity to manage the funds allocated by province at the TDA level, to ensure inclusion while also reaching the maximum number of refugee and host community members.

<sup>36</sup> British Council. 2019. *The State of Social Enterprise in Turkey*.

<sup>37</sup> With the exception of the last cycle, which will be 12 months.



### Subcomponent 1A: Support services for social entrepreneurship incubation and acceleration

37. This subcomponent will fund assessments, training, coaching, and business support services to build the capacity of social entrepreneurs and support the sustainability of social enterprises. It aims to support women and youth from both refugee and host communities in their efforts to establish social enterprises, generate income, employ other refugee and host community members, and deliver goods and services that benefit local communities and the society at large. Assessments<sup>38</sup> have highlighted the challenges that social entrepreneurs face as they navigate the early years of socially-oriented business activity. This subcomponent will help identify and address these constraints to unblock their growth potential. Both new and existing social entrepreneurs will be eligible to participate in support services.

#### *i. Community needs assessment, market analyses, and training plans*

38. The project will fund local/community level market and value chain, community needs, and training assessments for social enterprises in the target communities. These community-level assessments and analyses will inform the design of activities and ensure that the support activities are tailored to the needs of beneficiaries in each location and the needs of highly-localized markets, especially for new social enterprises. They will be prepared within the first four months of the project by the relevant TDA, in consultation with local authorities, the local private sector, universities, and local community actors supporting refugees and social enterprises.<sup>39</sup>

- a. Community needs assessments will be conducted in specific community target areas, in order to identify: (i) the barriers and constraints for women and youth refugee and host community members to engage in social enterprises; (ii) the needs, in each community, at the individual, household and community levels – to address these barriers. This is expected to include both social and economic responses e.g. access to subgrants, access to training, childcare facilities, language barriers or restrictions on their mobility in the city, or male perspectives on women working. As this will likely identify gaps in local facilities (such as places to work and childcare needs in the community), this will also serve as the first step of Component 2A). The community needs assessments will take a participatory approach, ensuring the genuine engagement of target beneficiaries in the identification of their problems and needs, and promote interaction and substantive discussion between refugees and host communities around livelihoods development. The community needs assessments will verify, with beneficiaries, the results of the local market assessments. Given the importance of participatory dialogues with refugees and host communities, the community needs assessments will be reviewed and verified by the CIPs after they have hired skilled community facilitators.
- b. Local market analyses including value chain assessments will be conducted at the local and/or community level in the project target areas, to develop an understanding of social enterprise market opportunities for refugees and host communities. Assessments will include analysis of the demand for goods and services that could be met through social enterprises, the existing supply, and gaps in supply. They will also identify the skills and talents of target beneficiaries to fill gaps in the supply chain, and note any effects of COVID-19. It is anticipated that these local market and value chain assessments will be conducted by the MoIT with TDAs, within 90 days of project effectiveness. CIPs will use the assessments to support social entrepreneurs in the incubation and acceleration of proposed or existing social enterprises, and in the design of support services. The output of the market and value chain assessments will be the full picture of the demand and supply side potential of social enterprise in that sector and location, for example for services for the disabled, elderly or childcare, transport services, digital services, translation, or for recycling or particular foods in the communities where the target beneficiaries live.

<sup>38</sup> British Council, 2019. [https://www.britishcouncil.org.tr/sites/default/files/20190703\\_sereseearch\\_report\\_english](https://www.britishcouncil.org.tr/sites/default/files/20190703_sereseearch_report_english).

<sup>39</sup> The needs assessments and market analyses will also be used to guide the selection of incubation and acceleration grantees.



- c. These demand- and supply-side analyses will be supplemented by training needs assessments and action plans that set out the personal support services for refugees and host communities as well as the business support services for the target beneficiaries in each project area. A flexible approach that can respond to local conditions will be taken to enable adaptation to each identified group in each province, each year. The training needs assessments and action plans will be conducted by CIPs.
39. All assessments carried out will include a specific focus on understanding the specific needs of ESSN recipients. This information will then be used in other activities to ensure that the project as a whole supports the graduation of as many individuals as possible from the ESSN.

***ii. Social enterprise incubation and acceleration support services***

40. Subcomponent 1A of the project will finance a range of training, coaching, and mentoring services for refugees and host community members to become successful social entrepreneurs. The program of support services will be focused on ensuring that the social entrepreneurs are prepared, supported, reinforced, and strengthened as they complete successive stages of a process of establishing or expanding social enterprises. The subcomponent will meet the costs of these support services, including workshops/events, online platforms and remote learning strategies and costs, the consultancy service costs of coaches, mentors, and trainers, and the transportation of participants and goods.
41. The program of incubation support services will target over 4,400 refugee and host community members, and the acceleration support services will reach about 340 existing social enterprises. The subcomponent will target 70 percent women and 30 percent youth (both men and women). In total, more than 50 percent of the beneficiaries will be refugees, with priority given to ESSN recipients.
42. **Selection of beneficiaries.** A key aspect of Component 1 will be the selection of beneficiaries, as these beneficiaries will enter a continuous program of support that includes both support services and subgrants.<sup>40</sup>

***The selection of beneficiaries for incubation support services*** is proposed to be done through a four-step process:

- CIPs will identify ESSN recipients in their target areas, establish the specific neighborhoods where these beneficiaries live, and establish lines of communication with community leaders and organizations that support this group to directly encourage them to participate in the project. CIPs will focus on identifying ESSN recipients who have the potential to graduate from the ESSN by receiving project support. CIPs will discuss the potential of receiving project services and subgrants with ESSN recipients and encourage them to attend an initial workshop where the CIP would support them in developing an application to become a beneficiary of the Subcomponent 1A support services.
- CIPs will also (i) issue an Open Call for refugee and host community women and youth to participate in an initial workshop. In addition, CIPs will (ii) reach out to their broader networks within local communities to identify potential workshop participants. Over the course of the project, these workshops are expected to reach at least 8,000 refugee or host community members, half of whom would be selected to participate in social entrepreneurship support services, and over 3,350 of whom are projected to eventually receive incubation subgrants and continued coaching support.
- This initial workshop, lasting at least one full day, will be led by experienced facilitators and coaches, and will focus on helping participants write up their motivation and experience setting up enterprises, their educational credentials for developing social enterprises in particular sectors, and their understanding of the needs and opportunities in their

<sup>40</sup> Typically, microenterprise projects issue a Call for Applications and select beneficiaries among the applications received. However, this process excludes a variety of people, including those that might not have had the confidence to apply and those that, while having the motivation and ability to run a social enterprise, are not skilled in developing applications.





communities. This approach will foster those who might not otherwise apply but have the business acumen, especially among poorer, less educated women, while also allowing those with more developed ideas and more capability to display their potential.

- The applications produced at the workshop will be submitted, anonymously, to a Beneficiary Selection Committee made up of preselected community representatives, representatives of TDAs, and representatives of local authorities. Over 50 percent of representatives will come from host and refugee communities (in equal numbers). The final composition of this committee, and the selection criteria, will be approved as a part of the Subgrants Manual (SGM). The criteria will include: experience or education relevant to the proposed business idea; the potential of the business idea to benefit the community; and the potential of the business idea to support an individual or household to graduate from the ESSN.

***The selection of beneficiaries for acceleration support services*** will first require proof of eligibility. Existing social enterprises, and other businesses developing into social enterprises, will submit an application to demonstrate that the business: (i) has been generating revenue for a minimum of 12 months with a pre COVID-19 track record; (ii) is legally registered and has submitted tax returns; and (iii) has clearly articulated a social (or environmental) purpose. If the enterprise does not have a clearly articulated social (or environmental) purpose, the application will include information on how it would tailor its activities to become socially or environmentally oriented using the funds, and how this would benefit refugees living in the project's target area. The Beneficiary Selection Committee (described above) will then review and score eligible applications based on the agreed selection criteria, approved as a part of the SGM, to select existing social enterprises for acceleration support services. The POM will clearly define any necessary revisions to ensure that criteria are appropriate during and after the COVID-19 pandemic.

43. **Approach to the delivery of support services.** The model of skills development for social entrepreneurship adopted under the project will be one that recognizes the specific needs of the participants and provides a foundation such that, to the extent possible, social entrepreneurs can achieve success at each stage of the process. While the majority of selected beneficiaries are expected to have a basic set of skills that can be enhanced by the project, it is also recognized that the project mitigates against the risk of skills gaps through its emphasis on training, mentoring, and coaching. Also, the project has adopted a broad definition of social entrepreneurship to promote greater participation and access for target beneficiaries.

44. The approach is based on an understanding that there are three types of support that social entrepreneurs will need: (i) basic information, training, and skills for operating an enterprise or social enterprise in Turkey; (ii) just-in-time support to address issues arising; and (iii) mentoring by individuals that have succeeded in entrepreneurship or social entrepreneurship. This model tailors the support that individuals receive, improving the success of social enterprises and the ability of more vulnerable populations to lead such enterprises. Support services activities will provide opportunities for joint refugee and host community beneficiary facilitated engagement and dialogue.

45. The approach, scope and focus of the support services activities/packages (training, mentoring, coaching, etc.) will be fully adapted to the social distancing and travel restrictions of the COVID-19 context by the MoIT and TDAs, and included in the Project Operations Manual (POM). The scope and content of the support services will respond to the local conditions identified in the project-supported assessments, analyses, and training assessment and action plans (see para 38). As is relevant to each target area, the training, coaching, and mentoring approaches will cover soft skills, business planning, finance and development for social enterprises, technology, and technical needs.

46. Reflecting best practice in support services for microentrepreneurs, the approach will be comprehensive and include personal initiative and soft skills as well as traditional business skills and support for innovation.



- Personal initiative and soft skills: Skills development activities will include a wide range of soft skills such as communication, presentation, teamwork, and activities that support both the development of individual capabilities and a cohesive workplace. This could include information dissemination on critical issues of concern in the target communities, participatory planning, and collaborative refugee/host community activities for women, youth, and children.
- Business skills and advisory support: This support will ensure that business plans are developed for new social enterprises or improved for existing social enterprises, market research is completed, and that social enterprise leaders have concrete plans for maximizing their businesses' social impacts. Innovative social enterprises will be supported by coaches and mentors working with CIPs in their efforts to develop new ideas, models, products, or services. While the first stage of incubation support services will lead to the development of business plans and subgrant proposals that would be submitted for funding under Subcomponent 1B, the subcomponent is continuous through the post-creation stage (see Table 2). The subcomponent will also support legal advisory services,<sup>41</sup> and coaching will be provided for product development, marketing, as well as accounting and other key business skills, and it is anticipated that backstopping support will be provided for at least two years. CIPs will identify local universities or other educational institutions that provide quality business skills and will connect participants with these services. CIPs will also encourage social entrepreneurs involved in acceleration activities to mentor social entrepreneurs that are incubating their ideas. This will benefit the new social entrepreneurs, who will be able to have expert assistance in overcoming obstacles, and it will increase the potential sustainability of new enterprises.
- Legal and regulatory support: This component will include support to social entrepreneurs such that they can legally operate their businesses, hire employees, pay taxes, and more generally interact with the Turkish state. For both refugee and host community members, support will focus on understanding the main requirements for operating a social enterprise and identifying any provisions that help enterprises during their initial years of operation. Social entrepreneurs within refugee communities will also be provided guidance on ways to change residency status, acquire work permits,<sup>42</sup> or more generally help them navigate local regulations. This could also mean providing translation support.
- Turkish language training: Turkish language has been identified as a key constraint for refugee livelihoods and cooperation between refugees and host communities. The project will adopt a tailored approach to promoting language acquisition that addresses many of the lessons learned to date (low attendance, slow uptake, and patriarchal/cultural considerations regarding women's attendance). First, the project will, as a part of the soft skills required by social entrepreneurs, offer Turkish language training if requested by refugee beneficiaries (this will form part of the CIP scope of work), and will require the use of accredited/licensed providers. Second, the project will also promote and proactively support the development of social enterprises to provide Turkish language skills development for refugee beneficiaries and community members. This might take the form of on-the-job training and coaching depending on the demand from refugee beneficiaries.

47. For new entrants especially, an important aspect of the activity financed under Component 1 will be a focus on the families and dependents of women and youth beneficiaries, whose support is especially needed for female members of the household to go out to work. This will especially include male relatives of women entering the workforce for the first time. Building on the experiences of other projects that have successfully brought Syrian women into income-earning

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<sup>41</sup> The legal status adopted by SEs will take account of financial sustainability and ensure opportunities for small grants from development partners.

<sup>42</sup> The project will encourage refugee workers to formalize their participation in the labor market. Refugees can also work legally if employed by a firm that they own or co-own, or by operating as an association or cooperative. Currently, the Law on Work Permits for Foreigners applies to refugees. This law stipulates that the asylum seeker and employer must jointly file the paperwork to obtain a work permit, and that the Ministry of Labor and Social Security makes a final decision on the application within 30 days. However, for a foreigner to be eligible to receive this work permit, the workplace must employ at least five Turkish nationals for every foreign worker. The project will provide legal advice to refugees, to help them navigate the process of setting up businesses and hiring individuals according to the requirements of Turkish law.





roles, specialized modules will be developed to involve male household members and male elders of the community. Host community members will also be included in these activities, as this is expected to promote further involvement of host-community women in project activities.

**Box 1. Social Entrepreneurship in Turkey**

Social entrepreneurship is gaining momentum in Turkey and is considered a promising avenue for addressing key social and economic problems including refugee integration, unemployment, and economic downturns. Social enterprises are organizations that prioritize social and environmental impacts. They generate more than half their revenue from trading, reinvesting any profit primarily in their mission. There are currently 9,000 social enterprises in Turkey, most located in the largest cities of Istanbul, Ankara, and Izmir, but they are also emerging elsewhere.

Currently, Turkish law does not provide for a separate legal entity for social enterprises, and they operate under a broad spectrum of legal status, including cooperatives (29 percent), limited liability companies (19 percent), sole traders (19 percent), associations (14 percent), corporations (13 percent), and foundations (3 percent). Policy is fragmented but active, with ongoing efforts from a number of government entities to support the ecosystem. With support from the EU for social entrepreneurship and social innovation under the Instrument for Pre-Accession Assistance funds and other EU programs and financing instruments, there is much momentum and many incentives for the development of the sector.

Social entrepreneurs in Turkey operate in a diverse range of sectors. The most common are in education, manufacturing, creative industries, and agriculture. Women entrepreneurs tend to focus on agricultural production, food production, textile and garments, arts and crafts, and social services. The scope and focus of social enterprises are often innovative. Over the last year, 86 percent of social enterprises in Turkey brought a new product or service to the market. Social enterprises are mostly operating at the micro level at startup. Approximately 50 percent reach fewer than 1,000 people over a 12-month period, employ about four people full-time and 5-6 part-time on average, and rely heavily on volunteers. They are generally optimistic about growth.

Social enterprises are mostly led by women (55 percent, compared with 19 percent women managers in commercial enterprises) and they are also a form of business in which young men and women want to work (47 percent of social enterprise leaders are under the age of 35). Other key actors in the social enterprise ecosystem are intermediary organizations (incubators, accelerators, coworking spaces) as well as academic institutions, government agencies, and local institutions and funding organizations.

A primary benefit of the social enterprise model for women is that there is not only the possibility of economic inclusion but it also brings enormous social benefit to young and old women, who often join together with other social entrepreneurs to achieve a common goal. This process, if well supported, can bring benefits of social cohesion in participating communities.

A recent study highlighted the main barriers to the development of social enterprises in Turkey as the lack of: visibility, public understanding and awareness, and a common understanding among public institutions regarding the purpose and approach of social enterprises. The main challenges facing social entrepreneurs is the adverse economic climate, the high taxation they pay despite their socially-oriented objectives, the costs of establishment, and the struggle with bureaucracy. A lack of access to finance to expand their businesses is more problematic for women than men, as they cannot access the full range of sources and external funding.

In order to address these challenges the study recommends six key sets of actions: (i) enhancing visibility and public understanding with the general public and with public institutions and local administrations; (ii) supporting improvements in the policy environment through an inclusive and flexible approach; (iii) promoting access to finance and growth through better awareness of investors and better readiness of social entrepreneurs, as well as stepping up support from a broad range of external sources; (iv) creating targeted training programs for women with measures to facilitate women's access to funding and finance; (v) motivating young women and men and supporting their learning; and (vi) ensuring access to support and capacity building through intermediary and other supporting organizations, networks, and platforms.

Source: British Council. 2019. *The State of Social Enterprise in Turkey*.



48. Further, in order to raise awareness among private sector actors and organizations, a business alliance on responsible sourcing will be founded to support the economic inclusion of refugees and host communities by promoting the services and/or products by these social enterprises (in Turkey, there is increasing awareness among multinational companies, especially, to integrate social businesses into their supply chain). The alliance will be facilitated through private sector organizations, chambers of commerce that are vocal on these issues, and be facilitated at the outset by the TDAs. Linked to this, the TDAs will be responsible for annual awareness campaigns, and marketplaces and fairs on social enterprise development at the regional level. A summary of the scope of these activities is provided in Table 2.

Table 2: Support Services for Incubation and Acceleration Social Enterprise Development

	Soft skills	Business skills	Legal support	Technical skills
<b>Women and youth beneficiaries of incubation services</b>	Basic skills including: <ul style="list-style-type: none"> <li>• Personal initiative</li> <li>• Communications</li> <li>• Team building</li> <li>• Conflict management</li> <li>• Networking</li> <li>• Gender in context</li> <li>• Turkish language skills for non-native speakers</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic planning and decision making</li> <li>• Market analysis</li> <li>• Management (financial, human resources, taxation)</li> <li>• Sales</li> </ul>	<ul style="list-style-type: none"> <li>• Services and provisions for small entrepreneurs</li> <li>• Taxation</li> <li>• Registration</li> <li>• Compliance with regulations</li> <li>• Grievance redress processes</li> <li>• Residency/work permits</li> </ul>	Skills for the purposes of the social enterprise’s production: <ul style="list-style-type: none"> <li>• e.g. for food production, childcare services, etc.</li> <li>• IT skills</li> </ul>
<b>Women and youth beneficiaries of acceleration services</b>	<ul style="list-style-type: none"> <li>• Basic skills on demand</li> <li>• Developing alliances</li> <li>• Advocacy</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable scale-up</li> <li>• Resilient businesses</li> <li>• Credit and financing options</li> <li>• Partnership development</li> <li>• Development and testing of new products</li> <li>• Branding</li> </ul>	<ul style="list-style-type: none"> <li>• Hiring and labor regulations</li> <li>• Any of the skills for incubation, on demand</li> </ul>	<ul style="list-style-type: none"> <li>• Skills for the purposes of expanding social enterprise production</li> <li>• IT skills</li> <li>• Skills for incorporating environment, climate change considerations in business development</li> </ul>
<b>Male household members and community members</b>	<ul style="list-style-type: none"> <li>• Social enterprise benefits for the household</li> <li>• Managing finances</li> <li>• Accessing services</li> <li>• Topics proposed by male participants</li> </ul>			

49. The number of incubation and acceleration support services (and subgrant) cycles in each location will vary considerably (largely dependent on the size of the refugee population). In total across the five TDAs, it is anticipated that the 18-month training/business plan/subgrant/coaching cycle will be made available multiple times in each target province, with an aim of a cycle starting every six months of the project. Given the expected number of beneficiaries it is anticipated that the larger TDAs will run more than one cycle in parallel, and thus be able to tailor support services to the different groups of beneficiaries.

50. **Subcomponent 1A outputs.** The following outputs are anticipated under Subcomponent 1A:

- Market assessments in selected target areas



- Community-level needs assessments, including community verification of the market assessments
- A training needs assessment and action plan for incubation and acceleration support services for each defined target area
- Refugees and host community members benefiting from incubator and accelerator support services (target: 4,080; over 320)
- Incubator business plans submitted for funding under Subcomponent 1B (target: over 3,500, and 500 partnerships)
- Number of male community members trained and supporting women’s engagement in social enterprises (target: 500)
- Business alliances on responsible sourcing (target: 20)
- Social enterprise awareness building campaigns (target: 20).

Outputs will be disaggregated by women/youth/men, ESSN beneficiaries, refugee, host community, and combined.

### Box 2. Women’s Social Enterprises: Ongoing Initiatives in Turkey

**Harmoni Women’s Cooperative** - Harmoni Women’s Cooperative was officially established in December 2015 in the Beylikdüzü district of Istanbul by a group of 20 women, with the idea of integrating women into the workforce. Harmoni’s vision is to establish an environment where women work in dignity to create economic value and contribute to the national economy, and where women producers are self-confident and respected. Harmoni offers women who cannot work full-time work opportunities in line with their skills and preferred working hours, and supports their development with vocational training as well as training for their work life and social life. The business has provided training and opportunities to generate income to more than 160 women, including refugees. Harmoni cooperates with designers and uses natural and local materials. Through online and offline sales, the cooperative offers more than 100 designed handmade products in three main categories – bags, toys and home decorations. *Source:* British Council. <https://harmonyiz.com>.

**Joon** - Joon is a capacity building platform for craftspeople from disadvantaged backgrounds. The aim is to facilitate the social and economic participation of refugees, women, people with disabilities, and other individuals who struggle to make a living. The platform supports them by helping with developing design-driven solutions to reach the right market. The idea of Joon matured through participation in the Hult Prize Social Entrepreneurship competition in 2016, where it reached the semifinals and earned significant recognition. The first collection, “Words of Wisdom” is a result of a collaboration with M. Tawfiq, the Syrian calligraphy artist. The two following collections, “Sound Up” and “Colors of Anatolia” continued to link original design solutions with the unique stories of the producers. In addition to these three collections, Joon offers other products including home decorations, handbags, pencil cases, laptop cases, makeup bags, and jewelry. Joon is currently registered as a private company, but aims to move towards a hybrid model of civil society organization and private entity.

The project “**My Mom’s Job is My Future**” was launched in 2013 by Borusan Holding in collaboration with the Ministry of Family and Social Policies and the Ministry of Industry and Technology to increase women’s employment rate in industry and support the empowerment of women. The project was carried out up to 2019. Within this program, daily childcare facilities called “Borusan Joy Factories” are being opened to facilitate the needs of children ages 0–6 in 10 organized industrial zones of 10 cities across Turkey. Borusan Joy Factories are intended to make life easier for women who cannot go to work because of their childcare obligations. The centers have started functioning in the organized industrial zones of Adiyaman, Afyonkarahisar, and Malatya. *Source:* British Council. <https://joon.world>; <http://www.anneminisi.org/en/Home.aspx>.

### Subcomponent 1B: Subgrants for social enterprise incubation and acceleration

51. Access to finance is a key constraint for social enterprise development in Turkey. Although there is an increasing number of financial institutions willing to support small and medium enterprises, there is still a scarcity of people and institutions who invest in social enterprises, caused in part by the lack of a common language between finance providers and social entrepreneurs, and the high profit expectations of potential investors. Evidence also suggests that women find



it more difficult than men to access the full range of external funding sources. As a result, in a recent survey, over 75 percent of social enterprises reported that they face barriers to finance and 65 percent are seeking external financing.<sup>43</sup> To enable startup and expansion of social enterprise ideas and encourage the initiative of women in refugee and host communities, Subcomponent 1B will finance subgrants to refugees and host community members that have participated effectively in Subcomponent 1A.

52. Subgrants financed under Subcomponent 1B will be both incubation and acceleration subgrants. There are large differences in the opportunities for social enterprises in the different target provinces, and a vast range of capacity among potential beneficiaries. Accordingly, the proposed size of subgrants for incubation is up to EUR 10,000, and for acceleration, is up to EUR 25,000. All subgrant requirements will be set out in an SGM approved by the Bank within 60 days of effectiveness. Out of the approximately 4,420 trained, an estimated 3,720 subgrants will be provided across the 11 target provinces.

53. **Scope and focus.** The focus of the social enterprises supported by the subgrants will vary according to the local needs, interests, and expertise of the refugee and host community entrepreneurs. The project will support all types of social enterprises that fall under the definition (see para. 33) and include those that focus on generating employment of the local community. Potential business ideas could take the form of social cooperatives (e.g. disadvantaged women producing food or providing social services to the elderly). Box 2 provides examples of the types of social enterprises that have been developed in Turkey to date.

#### 54. Selection of subgrant beneficiaries

**Incubation subgrants** for social enterprises will be made available to those beneficiaries that participated in the Subcomponent 1A incubation support services described above, successfully completed the soft skills and business development training/mentoring, and produced a viable business plan outlining proposed expenditures. The following targets and requirements will be monitored:

- Seventy percent of incubation subgrants will be awarded to social enterprises that are managed by or benefit women, and 30 percent to social enterprises managed by youth (young men and women).
- Target numbers are calculated on the basis of 3,350 subgrants in total, ranging from 2,000 incubation microgrants (average EUR 1,500) of which it is anticipated that more than 60 percent will be awarded to refugees and 40 percent to host community members; 1,000 medium-sized incubation subgrants (average EUR 5,000) to be used towards a social enterprise partnership with other trainees, more than 50 percent refugees; and 350 larger-size incubation subgrants (average EUR 8,000, ceiling EUR 10,000) more than 50 percent refugees.
- ESSN recipients will be given preference for the estimated 2,000 incubation microgrants (average EUR 1,500) and will receive additional services and support to address any capacity issues and help ensure their social enterprises are successful.
- Other subgrants will be made available to an equal number of refugees and host community members.

**Acceleration subgrants** will be made available to existing social enterprises that have participated in the Component 1A support services program under Subcomponent 1A to support their market expansion and growth. Social enterprise beneficiaries will submit viable business plans outlining proposed expenditures and activities, to achieve anticipated growth, addressing business needs and challenges, and the jobs created for ESSN beneficiaries. The following targets and requirements will be monitored:

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<sup>43</sup> British Council, op.cit. 2019.



- Seventy percent of the acceleration subgrants will be awarded to social enterprises that are managed by or benefit women, and 30 percent to social enterprises managed by youth (young men and women).
- Target numbers are thus calculated on the basis of 320 acceleration subgrants in total: 250 smaller acceleration subgrants (average EUR 10,000) with a target of more than 50 percent refugees; and 70 larger acceleration subgrants (average EUR 18,000, ceiling EUR 25,000) with a target of more than 50 percent refugees.
- Acceleration subgrants will be targeted at both refugee-owned social enterprises and Turkish-owned social enterprises. Preference will be given to social enterprises that employ ESSN recipients, and more than 50 percent beneficiaries will be refugees. Social enterprises that are owned by refugees or co-owned by refugee and host community members will receive additional support from the project to increase their chances of sustainable expansion and job creation for ESSN recipients.

55. **Evaluation criteria of social enterprise business plans.** As noted above, entrepreneurship incubation and acceleration subgrant beneficiaries will be selected through an evaluation of their business plans developed during their participation in Subcomponent 1A. Evaluation criteria will not only need to meet the above targets, but also ensure that: (i) women are centrally engaged in and/or benefit from the planned social enterprise; (ii) jobs are generated for refugee and host community members; and either (iii) social business goals are well-defined; or the enterprises aim at environmental/climate change benefits. Given the social cohesion goals of the project, proposals to develop joint businesses that involve refugee and host community members working together will be encouraged and prioritized. The subgrant selection guidelines and criteria for eligible business plans will be contained in the SGM, are likely to include: (i) potential to employ ESSN recipients; (ii) the potential for job creation or livelihoods support over a defined period of time; (iii) budgets for proposed goods, works and services, against which disbursement will be made; and (iv) the potential for the social enterprise to successfully expand its social and environmental impacts, as well as agreed criteria related to the varying COVID-19 conditions.

56. While the decision over subgrant beneficiaries is part of the continuous training, business planning, subgrant, and coaching/mentoring process, at the subgrant milestone, proposals (business plans) selected for funding will be displayed at a community fair event during the selection stage of each round. This will not only create transparency around the allocation of subgrants to community members but also help to develop awareness of social enterprises, social corporate responsibility, and green businesses. Similarly, to create transparency and social accountability around the use of subgrants, and a connection to the community, CIPs will work with beneficiaries to upload photographs (and explanations) on a project website, funded by the project, to illustrate progress, products, and activities undertaken.

57. **Monitoring of subgrants.** Business plans will be approved by CIPs prior to disbursement of subgrants. With inputs by CIPs, this subcomponent will support subgrant monitoring through: (i) a comprehensive management information system (MIS) will include detailed information on each subgrantee, the business plan funded by the subgrant, and the support received, and will track payments to the social enterprise against the approved business plan; (ii) quarterly summaries by the TDAs that will include financial data, follow-up activities for incubation and acceleration grants, participation lists, coherence with EU visibility rules, etc. The TDAs will also carry out on-the-spot checks of subgrants and make regular project visits to CIPs to ensure sound program implementation, including microentrepreneur progress against approved business plans; and (iii) collated reports (with overall coordination by the MoIT funded under Component 3). Basic summary information on the distribution of grants will also be available online on a project website, so that project beneficiaries and others can verify accuracy and provide feedback or complaints to either the CIP, TDA, or MoIT in case of discrepancies. The full monitoring and evaluation (M&E) system will be developed prior to disbursement and will be included in the SGM.

58. **Subcomponent 1B outputs.** The following outputs are anticipated under Subcomponent 1B:



- A finalized, Bank-approved, and adopted SGM forms part of the POM (before disbursement of subgrants)
- Number of individuals (refugee and host community members) receiving incubator subgrants based on approved business plans (target: 3,350, of which 2230 refugee SEs)
- Number of existing social enterprises benefiting from accelerator subgrants based on approved business plans (target: 320).

Outputs will be disaggregated by women/youth/men, ESSN, refugee, host community.

**Component 2: Community Livelihoods-related Facilities in Refugee and Host Communities**

(EUR 9.50 million total: *Silkroad TDA (EUR 2.60 million)*; *Eastern Mediterranean TDA (EUR 2.60 million)*; *Karacadağ TDA (EUR 2.20 million)*; *Çukurova TDA (EUR 1.60 million)*; and *Tigris TDA (EUR 0.50 million)*).

59. In order to develop sustainable microenterprises, women (and other vulnerable) social entrepreneurs supported under Component 1 will need to access a range of supporting facilities. As noted above, the development and survival of the business is not only a function of business and technical skills; women face a number of other constraints to their successful engagement in livelihood opportunities. While some of these are addressed in Component 1 through support services (training, mentoring, and coaching), others require local community-level, small-scale investments, without which social enterprises will flounder and/or be unsustainable, and social cohesion outcomes will not be achieved.

60. Refugees generally live in a limited number of urban and peri-urban neighborhoods in the target provinces selected for the project. In Adana for instance, the refugee communities as well as government and NGO services supporting refugees and host communities are concentrated around the Yüreğir, Seyhan, Çukurova districts. In Gaziantep, similarly, refugees have settled in less well-developed communities on the outskirts, in Sahinbey, Sehitkamil, Nizip, and Islahiye districts.

61. While the neighborhoods in the local authorities covered by the project are generally provided with basic services and infrastructure (such as roads, water, sewerage, and solid waste management), assessments carried out during preparation revealed that other services that would support women’s participation in social enterprises are either unavailable or only partially available in most of the project locations. Such services include childcare facilities or kindergartens, access to community-based workshop facilities or maker-spaces, and access to local marketplaces. Some beneficiaries may have access to community centers with sewing equipment or kitchens (e.g. the Sada Women’s Center in Gaziantep), but these are contingent on other project and donor funding, and reliance on these facilities by such large numbers of project beneficiaries could place a significant burden on them.

62. To address these gaps in facilities, support the efforts of refugee and host community women to earn income, and promote dialogue and engagement of refugees, host communities, and municipal authorities around social enterprises, this component will finance: (i) the capacity building and facilitation activities for refugees and host communities to engage in participatory decision-making processes over local needs and priorities for livelihoods-related facilities; and (ii) the cost of establishing/renovating selected livelihoods-related facilities.

63. As is envisaged for Component 1, these Component 2 activities will take place in cycles, to enable women and youth from each cycle to work towards sustainable social enterprise solutions that address key constraints. This approach also brings the benefit of repeated joint community dialogues and structured processes of collaboration for participants in each cycle. It is envisaged that there will therefore be three investments over the life of the project, aligned with component 1 activities.





## **Subcomponent 2A: Mobilization and capacity building for livelihoods-related facilities for women (supporting social enterprise development)**

64. The aim of Subcomponent 2A is to mobilize Component 1 beneficiary communities to prioritize the local livelihoods facilities needed to support their social enterprises and contribute to the project's social cohesion target outcomes. Alongside their role in Component 1, and linked to each social enterprise cohort, the CIPs will be responsible for facilitating communities to prioritize livelihoods investments to be implemented under Subcomponent 2B. Guidelines for this mobilization and engagement process with women (with each step clearly defined in terms of methodology, target audiences, location, timing, gender targets, etc.) will be adapted to the COVID-19 context and detailed in the POM. Specifically, pre-identified communities would be engaged in a series of steps that are likely to blend traditional and digital solutions:

- Information and awareness building (at the mahalle or district level) to provide local stakeholders and community members with detailed information about the component activities, including where relevant, critical supporting activities for men
- Participatory needs and gap assessments with beneficiary women's and youth groups (to identify local constraints to their engagement in social enterprises), training in collaborative and participatory approaches, and subproject prioritization through facilitated focus group discussions with women, youth, and other selected vulnerable groups using traditional and/or digital methodologies
- Dialogues with local authorities on priority community livelihoods investments (linked to the engagement with local authorities described in para. 73), municipal commitments in regard to management (equal access, responding to grievances, continuity of norms inside facilities), and operations and maintenance (O&M) of facilities to ensure sustainability
- Efforts to enable community engagement in operating and maintaining facilities (e.g. social enterprises could be developed for the operation of kitchen facilities or managing childcare facilities)
- Provision of information regarding energy efficient investments, COVID-19 and environmental considerations in the selection and development of livelihoods facilities

65. This facilitated community engagement will aim to enhance community cooperation during the project, provide a forum for trust building and collaboration between refugees and host communities, and communities and local authorities, as well as resulting in the concrete benefit of livelihoods facilities that directly or indirectly facilitate the development of efficient and sustainable social enterprises. In each community, the CIPs will develop and implement specific strategies to enhance participation and motivation, with a focus on resilient solutions in the COVID-19 context. Additional social cohesion-focused activities will be developed with local communities to ensure local relevance and address local challenges. Where relevant, or where existing community-based organizations cannot be mobilized, consideration will be given to the establishment of women's livelihoods committees with both refugee and Turkish women, responsible for leading the beneficiaries' engagement; and Turkish and refugee (women) community facilitators will be trained to support these processes.<sup>44</sup>

66. In response to COVID-19, Subcomponent 2A activities will optimize the potential, and enhance the resilience of community engagement in the project, strengthen monitoring systems and enhance transparency and communications. A two-way information and beneficiary feedback mechanism will be established that blends traditional media and civic technology to: (i) share up-to-date information on the project; (ii) facilitate a reliable and accessible online community

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<sup>44</sup> Establishing these committees will be decided in the context of each community and municipality, depending on existing community-based organizations, the nature of the community, the need for an organized municipal interface, etc.



for individual beneficiaries and target communities to communicate needs and project-related gaps in services and functions; (iii) enable virtual engagement in decision-making (e.g. on livelihoods priorities); (iv) enable community members to monitor project results and/or other critical issues. Distance learning materials will be produced as necessary to help facilitators are trained. A project-level online platform will be supported under this subcomponent to ensure that all provinces (TDAs and CIPs) are actively using a robust approach for outreach and feedback, and that adjustments are made to improve effectiveness and outreach refugees and host communities.

67. Subcomponent 2A will cover the costs of community meetings, distance learning, training workshops at the community level, community exchanges and other face-to-face or online learning events, and capacity building of women to take up intended roles. Trainings will also be targeted at community leaders and municipal councilors and administrators (who are mostly men), to ensure their understanding and support. The cost of the training of trainers, and digital platforms used by CIPs would also be covered by this component. CIPs will ensure that transportation and food is provided where identified as a constraint to participation. Trainings will be carried out by the CIP and detailed in a Consolidated Training Plan according to the procedures established in the POM.

68. CIPs will facilitate the processes with the beneficiaries outlined above, in tandem with the activities of Subcomponent 1A, and in coordination with TDAs and local authorities (see para 111-12). Following completion of the livelihoods facilities subprojects, the CIPs will work to establish working committees to supplement any O&M provided by the local authorities and line ministries needed to ensure the sustainability of the livelihoods facilities.

69. **Outputs and indicators.** The subcomponent will result in the following:

- An online platform for beneficiary and community engagement in each target area
- Percentage of target communities engaged in the agreed community mobilization process (target: 70%)
- Percentage of refugee and host community members (project participants) trained and participating in each local-level (mahalle/subdistrict) decision-making process (target: 70%)
- Percentage of community meetings/training sessions held (actual/planned) (target: 90%)
- Number of women facilitators (refugee and host community) trained and certified
- Number of community-led decisions communicated to TDAs (target: 70).

Outputs will be disaggregated by women/youth/men, ESN, refugee, host community, and combined.

### **Subcomponent 2B: Subgrants for community livelihoods-related facilities**

70. The primary goal of this subcomponent is to establish livelihoods-related facilities and services to enhance the success of the social enterprise/livelihoods-related activity in Component 1. There will be a direct connection between the needs of Component 1 social entrepreneurs and Subcomponent 2B investments. These livelihoods-related facilities (such as marketplaces, kindergartens, and kitchens) not only help increase economic activity but will also help enhance social cohesion by providing a place where refugees and host communities interact, and provide a broader reach of the project in refugee and host communities.

71. **Scope.** As noted above, the community facilities supported by this subcomponent will respond to local needs identified by the beneficiaries of the Component 1 social enterprise support services and subgrants, and because they are demand-led, the facilities to be financed will only be identified at the beginning of each cycle. Construction will be limited to refurbishing, extending, or upgrading existing public buildings. It is likely that the subgrants will fund livelihoods-related facilities such as:

- *Community centers or spaces for projects and other use.* This will include the refurbishment of local community-level facilities to provide a range of facilities under one roof (e.g. training spaces and childcare facilities) close to





the residential areas of project beneficiaries. Where this facilitates project startup, this could be provided in the first six months of the project. This option would be particularly important to speed up disbursement given the additional pressures resulting from COVID-19.

- *Kindergartens and childcare facilities, child-friendly spaces.* While some local authorities have established neighborhood creches, many women are constrained from working due to their childcare role and the lack of access to affordable childcare. This is a critical supplementary investment to ensure women can work, utilize the subgrants, and sustain entrepreneurial activity.
- *Refurbishment of incubation facilities* (maker-spaces, coworking spaces, business development/support centers, etc.), as well as the equipment and technology infrastructure to implement the incubation initiative in each target province.
- *Workshops and kitchens.* Social enterprises may focus on food production, handicraft production, or digital services that require refugee and host community women to have sustained access to facilities in which to make/prepare the products. It is likely that such facilities could be used and managed by a number of the subgrantees of the project as well as others within the community, enhancing cost efficiency.
- *Market facilities* for the use of refugees and host communities. This might include: (i) construction or upgrading of marketplaces and stalls (on public land); (ii) installation of street lighting for security and extended business hours; and (iii) construction of childcare facilities at the market to facilitate women's participation.
- *Virtual platforms.* E-trade platforms and help centers for online trading.

72. **Subproject selection.** The feasibility of community-level decisions (made under Subcomponent 2A) will be verified by the needs/market assessments and feasibility studies conducted by the local authorities. Selection criteria for funding will include: (i) shared commitment from both refugee and host community women's groups, according to the agreed participatory process; (ii) shared benefit for women from refugee and host communities; (iii) coordination with municipal authorities and commitment to municipal O&M for the sustainability of facilities (staffing, maintenance, etc); (iv) not covered by other projects or donors; (v) relevant environmental/climate change/energy efficiency adaptation; and (vi) number of beneficiaries supported/potential local economic impact of the facility. Subproject selection will also include dialogue with local authorities to address any risks associated with the facilities, including the management of the facilities, ensuring equal access (host and refugee communities), promoting continuity of norms inside the facilities, and managing any grievances. This process will be detailed in the POM.

73. **Subgrant allocation for livelihoods facilities.** The subgrant distribution formula to each province is based on: (i) the refugee population; (ii) poverty, measured through the socioeconomic index; and (iii) the extent to which local facilities are under strain by the influx of the refugee population. The distribution of the livelihoods facilities subgrants are allocated so that the investments have impact in the targeted urban neighborhoods/subdistricts in which beneficiary communities live. Accordingly, the average allocation for refurbishment works is small, and likely to be EUR 100,000 (with a maximum set at EUR 300,000 to cover the costs of the incubator facilities envisaged at the outset). Depending on subproject types and costs, approximately 70 facilities will be created.

74. **Monitoring of subgrants.** As for the incubation and acceleration subgrants, the subgrants for livelihoods facilities will be monitored at three levels: (i) a comprehensive MIS (with inputs by the TDAs on behalf of local authorities) that will include detailed information on the utilization of the subgrant; (ii) quarterly summaries prepared by the TDAs that will include financial data, functionality, community use, and operation by project-supported SEs. The TDAs will meet regularly with the local authorities and conduct regular project visits; and (iii) collated reports (with overall coordination by the MoIT). Basic summary information on the distribution of grants will also be available online on a project website, so that project beneficiaries and others can verify accuracy and provide feedback or complaints to either the CIP, TDA,



or MoIT, in case of discrepancies. The full M&E system will be developed prior to disbursement and will be included in the SGM. The costs are covered under subcomponent 3C.

75. **Operations and Maintenance.** Prior to the funding of livelihoods facilities under this subcomponent, participating local authorities will carry out feasibility studies (according to templates prepared by MoIT), including inter alia, the proposed O&M budgets (staffing, utilities, etc.). Unless otherwise agreed, the costs of O&M will lie with the participating local authority after the completion of the refurbishment. It is anticipated that some livelihoods facilities will be managed by the social enterprises developed under the project (e.g. for childcare services).

76. **Anticipated outputs.** The outputs and indicators of this subcomponent will include:

- Participatory subgrant decision making established and agreed locally with the local authorities
- Number of community decisions on priority livelihoods facilities approved by the local authorities for procurement (target: 70)
- Number of livelihoods facilities (maker-spaces, coworker spaces, childcare facilities) (target: 70)
- Number of livelihoods facilities included in the local authority annual budget for O&M (target: 70)
- Number of refugee and host community members utilizing project-financed livelihoods facilities (e.g. childcare facilities, workspaces, markets)
- Percentage of climate-aware livelihoods facilities that incorporate energy efficiency or environmental considerations (target: 70%)

### **Component 3: Institutional Capacity Strengthening and Project Management** (MoIT, EUR 4.00 million)

77. The implementation of the proposed project will follow the existing government structures and procedures. This component will finance project management, M&E, and communications (and visibility) as well as the targeted capacity building of national (MoIT, TDAs) and local actors (local authorities, NGOs, other stakeholders) to strengthen their capabilities to support women's livelihoods development in this project and in the future.

#### **Subcomponent 3A: Support for strengthening institutional capacity**

78. While the capacity of the implementing agencies in the project is high and there is much experience in the TDAs for the development of small and medium enterprise programs, there is less experience in establishing and expanding social enterprises, and supporting entrepreneurship among women and youth refugees and host community members. The project will support the development of knowledge and skills related to the concepts and practical application of the planned project activities.

79. Subcomponent 3A will therefore finance a set of activities aimed at building the capacity of key stakeholders in the MoIT, TDAs, local authorities, and other agreed stakeholders. At the outset, an Institutional Capacity Needs Assessment and Action Plan will be prepared. This subcomponent will then finance the planned trainings, workshops, and conferences to build skills and understanding of the principles, design, implementation, and monitoring of social enterprise support programs in refugee and host community contexts (with attention to the requirements of the COVID-19 recovery); and it will finance a mentoring program and peer-to-peer learning (i.e. showcasing good practices from local authorities, cross-learning events, etc.), including workshops that enable inter-CIP learning and build working-level links between the CIP facilitators. A key area of capacity building of the TDAs and the MoIT will concern the legal framework for social enterprises.

80. The MoIT and TDAs have significant experience in staff development and knowledge exchange. A Consolidated Training Plan, based on the Institutional Capacity Needs Assessment and Action Plan, will be developed and updated annually. The training plan will include the training topics, outputs, number and type of participants, duration, dates,



required reporting, and budget. It will be adapted throughout the project to suit the emerging needs of staff and consultants engaged on the project.

81. The subcomponent will also support the MoIT, based on project learning and results, to promote the sustainability of social enterprises through the preparation of a report developing a national strategy and proposed policy framework for social enterprises. Building on the work carried out by the British Council and national universities, the MoIT will update the analysis and mapping of the social entrepreneurial ecosystem of Turkey, analyze and benchmark the current legislative environment with other countries, and organize workshops and dialogue meetings with relevant stakeholders, including national and regional authorities, and social enterprises. The strategy/report will make recommendations for adapting the policy and the legal and financing framework to promote social enterprise development in Turkey. With MoIT leadership, the project will thus contribute to an enabling framework for social enterprises in Turkey.

82. This subcomponent is expected to target an estimated 400 staff from the MoIT, TDAs, and other national and local stakeholders as direct beneficiaries of capacity building support activities.

### **Subcomponent 3B: Project management, coordination-and communications**

83. **Project management.** Subcomponent 3B will finance the operational costs of the MoIT to undertake all project management, M&E, and communications and visibility activities. The subcomponent will finance the incremental costs, including contracting staff, technical assistance for the MoIT for overall project coordination, management and supervision of implementation, procurement, financial management, including project audits, M&E, and the MIS. This component will fund a dedicated project implementation unit (PIU) within the MoIT (which will include experts in social entrepreneurship, refugees and displacement, social development, community engagement, civil engineering, project management, procurement, financial management, M&E, and communications). The PIU will prepare annual workplans and budgets, and ensure the design and implementation of the POM. The subcomponent will cover the costs of the PIU staff on consultancy contracts, equipment, materials, and supplies, and operational costs that will be required to implement project activities. The component will finance a beneficiary feedback mechanism which includes a grievance redress mechanism (GRM) that will provide formal channels for feedback from beneficiaries on any matter concerning the project (including for safeguards-related issues); various options will be provided to enable complaints to be made easily. The MoIT will coordinate a system that collects, processes, and addresses complaints through a structure reaching from the local to the national level. This GRM will thus require coordinated action by the CIPs and will be included in the CIP terms of reference (TOR).

84. **Coordination.** This subcomponent will also support the costs associated with a Project Steering Committee that will ensure regular coordination with key national stakeholders and provide technical guidance. The Project Steering Committee will have an important role in advising on the implementation, coordinating among relevant government institutions that require improvements in the legal framework for social business development and replicating the model in the country.

85. **Communications and visibility.** The objectives of project communications and visibility activities are to: (i) help manage expectations and mitigate against local political and governance risks; (ii) facilitate outreach and engagement of refugees and host communities in project activities; and (iii) share results and disseminate project lessons with key audiences for broader impact. Communications messaging will focus on the benefits for refugees and host communities, that social enterprises supported by the project will bring together refugee and host community members in pursuit of shared socioeconomic goals, which will positively impact the local economy. Along with the new jobs created, the social enterprise focus of the project will help the beneficiaries of subgrants, support services, and livelihoods facilities find innovative solutions to pressing social issues in the host communities and broader society. In addition to the outreach to



the direct beneficiaries of component 1, critical elements of the communications plan will be to: engage with and conduct sessions for municipal leaders regarding the project approach, the livelihoods facilities that will benefit the municipal population, and the need for sustainability of investments; and build broad awareness through the media on the project and its impact, highlighting the potential of social entrepreneurship as a solution for communities in Turkey. Communications and visibility activities are also intended to communicate to project beneficiaries and stakeholders information about the EU's financial contribution to support refugees and host communities in Turkey.<sup>45</sup> Activities will be detailed in a Communications and Visibility Plan that will be included in the POM. Types of indicative activities will include: information and outreach campaigns; awareness-raising events, such as conferences and festivals on social entrepreneurship to engage beneficiaries, local authorities, communities, and local businesses; and dissemination events on social entrepreneurship and livelihoods facilities supported under the project, such as a documentary series on social entrepreneurs, community workshops, and concerts (see Annex 5). Communications responsibilities and guidelines – that mitigate against potential misunderstandings – will be detailed in the POM and extend to all project stakeholders, including the MoIT, TDAs, CIPs, and the local authorities that will be engaged under Component 2.

### Subcomponent 3C. Monitoring and Evaluation

86. This subcomponent will provide assistance to carry out monitoring and evaluation of activities implemented under the Project, including data collection and preparation of reports, in support of the project results framework under the Facility for Refugees in Turkey. It will support the development of a relevant and robust project M&E system involving MoIT, the TDAs and CIPs. The project Results Framework, used to report on the project to the FRiT, will be used as a basis for reporting progress in achieving the PDO and implementation. The regular monitoring of progress will ensure the measurement of all key indicators in the results framework, though quantitative collection of data by the implementing agencies, complemented by participatory processes which engage end beneficiaries. Baseline, midline, and endline evaluations will also measure key indicators, with the midline being conducted before the mid-term review to provide information and recommendations that would improve project implementation and outcomes. Results will be disaggregated as shown in the RF. A Completion Report will be started six months before the project closing date. Annual evaluation workshops, qualitative assessments, and thematic studies<sup>46</sup> will ensure quality and depth to the M&E and disseminate the learning from the project. The M&E system will be finalized and approved in the POM. A comprehensive project MIS is planned to manage the collation of all data, with inputs from CIPs, TDAs and MoIT.

87. **Outputs and indicators.** Component 3 outputs will include the following:

- Project Operations Manual and Subgrants Manual adopted and approved, including training modules
- Project teams/PIUs established in the MoIT and TDAs
- Capacity needs assessment of implementing agencies
- Annual Consolidated Training Plans
- Number of staff trained from the MoIT, TDAs, local authorities (target: 400)
- Number of trainings, workshops, conferences, etc.
- Project Steering Committee established and meeting semiannually
- Project M&E framework
- M&E reports to form the basis of FRiT RF reporting
- M&E thematic studies and baseline/midline/endline evaluations

<sup>45</sup> The Delegation of the European Union to Turkey will be consulted on communications and visibility activities during implementation to ensure that the Communications and Visibility Plan is implemented in accordance with the Communications and Visibility Manual for EU External Actions as well as EU FRiT Visibility Guidelines.

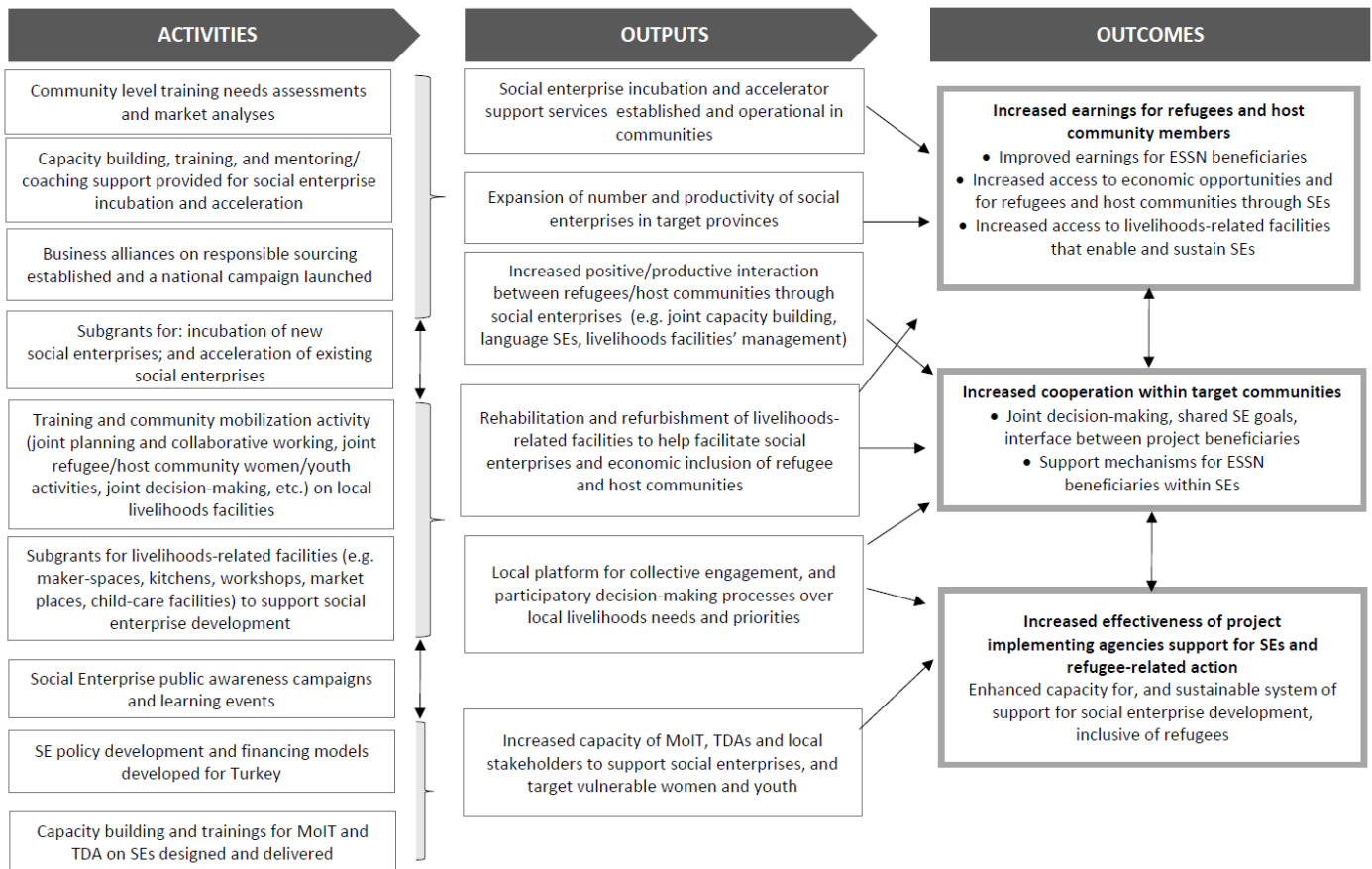
<sup>46</sup> The project will prepare studies to showcase effective and successful social enterprise support mechanisms, develop methodologies to measure social impact for further investments, and identify new financing mechanisms for social enterprises.



- Strategy report on policy, legal, and financing framework for social enterprises in Turkey completed
- Communications and Visibility Plan agreed, included in the POM, and implemented.

### D. Results Chain

88. The results chain of activities, outputs, and outcomes is illustrated below. With regard to the focus on ESSN beneficiaries, the project activities, outputs, and outcomes are each geared to address the needs of ESSN beneficiaries. The core assessments carried out under Component 1 will provide the foundation for the design of support services that help support the exit strategy. Project staff, including coaches and mentors, will be trained specifically to ensure they can focus on ESSN beneficiaries’ skills and capacities. ESSN beneficiaries will be the primary recipients of smaller incubation subgrants and will also be encouraged to apply for other types of grants for social entrepreneurship in the project, while other SEs will be prioritized if they are able to employ ESSN beneficiaries.



### E. Citizen Engagement, Gender, and Climate Change

89. **Citizen Engagement.** The project is fundamentally concerned with the socioeconomic inclusion of refugees and host communities – achieved through the development of social enterprises that bring social and environmental benefit. The women and youth beneficiaries of the training and subgrants provided under Component 1 will be engaged in a program of support services that will be tailored to address their challenges and support their needs, and they will themselves be the drivers of the decision making over the social enterprises on which they are embarking. Project





activities will be developed to enable women and youth beneficiaries to become empowered and access the forums to voice their needs, views, and concerns. Developing women and youth's capability to optimize the engagement opportunities in the project will be key, as will the identification of the vulnerable within these groups of beneficiaries and the development of their voice. CIPs – local community-based organizations and NGOs and other institutions trusted by women and youth – will be tasked with ensuring this engagement in the varied contexts in which the project will operate.

90. The project will adopt a citizen engagement framework that incorporates a set of structured tools adapted to any restrictions of the COVID-19 pandemic. Under Component 1, during implementation, refugees and host community members will be involved, sequentially, in: (i) participatory needs assessments; (ii) participatory skills/training assessments linked to decision making over the form that capacity building will take (e.g. training, coaching, mentoring); and (iii) participatory monitoring and feedback, through an annual feedback event using an interactive community scorecard tool to review and course correct as need be to enhance the quality of the training and mentoring services. These processes will be implemented through a blended approach which incorporates innovative digital (civic technology) solutions, draws on local actors and pays attention to effective facilitation in the COVID-19 context. These processes will build on the beneficiary dialogues undertaken during preparation.

91. Under Component 2, beneficiaries will engage in a process in which they jointly agree on the priorities for the support facilities that are needed in their communities and neighborhoods to enable them to work (this will be developed at the TDA level, linked to the participatory needs assessments at the outset of each cycle). The project will also include: (iv) a beneficiary perception survey that captures perceptions on both outcomes and processes; and (v) a multi-layered grievance redress mechanism that will enable vulnerable beneficiaries to find an easily-accessed channel to lodge complaints and ensure a timely and objective response. To support women to engage in feedback, the CIPs will appoint community-level ombudswomen to support vulnerable women to report issues that arise. The results of the regular feedback mechanisms (i.e. the complaint and the response) will be discussed by the project steering committee, and during Bank supervision. Through the development of the above tools in the POM, the project will ensure that citizen engagement tools seek depth in engagement, are designed to target the beneficiaries and the vulnerable, are structured for the intended purpose, and occur frequently throughout the entrepreneurship cycle. The project will measure beneficiaries' feedback on whether the social enterprise support system met beneficiary needs, whether the project interventions improved social cohesion, and the effectiveness of the abovementioned citizen engagement activities.

92. **Gender.** The project aims to support efforts to reduce the gender gap in economic opportunities and livelihoods through women's engagement in a social entrepreneurship model, and by addressing potential constraints to their efforts to engage in social enterprises.<sup>47</sup> This is likely to have two dimensions. First, the social enterprises will, by definition, have a social objective, and it is anticipated that they will empower marginalized groups, especially women, to engage in production activities and value chains, and earn incomes. Second, the approach aims to improve women's participation in economic opportunities through the provision and establishment of livelihoods facilities, such as women's workshops or childcare facilities. The project will provide a cycle of support services to ensure that female refugees and host community members enter a supportive process and not only have the chance to establish female-led social enterprises but are supported to help ensure they are successful.

93. From the outset, the CIPs will provide outreach to members of the refugee and host communities at the grassroots level to ensure that the project reaches its targets for female beneficiaries – this outreach will include both women and men (to ensure that male members of households and communities support the engagement of women in

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<sup>47</sup> Over 50 percent of existing social enterprises in Turkey are managed by women. British Council op. cit.



the project. During the early stages, tailored trainings that build confidence and focus on the comparative advantage for women will be developed. The soft skills training will include personal initiative training, which will be of particular benefit for women as it promotes a proactive mindset that underpins entrepreneurial behaviors.<sup>48</sup> The project will include gender-disaggregated indicators that measure the benefits of the overall intervention, the perceptions of support services, and their engagement. The gender gaps to be addressed by the project are discussed in Annex 3.

94. **Climate Disaster Risk Screening.** The project has been screened for climate and disaster risks using the Bank’s online screening tool at <https://climatescreeningtools.worldbank.org>. Identified climate change risks will be mitigated through careful design and implementation of project activities in line with Turkey’s national commitments on climate change.<sup>49</sup> For physical structures (e.g. childcare facilities or markets), checks for seismic resilience and climate risks will be part of the standard construction approval and oversight. Energy efficiency measures will also be implemented as part of the renovation and upgrade of buildings (e.g. for community centers) under Component 2. In addition, the project will promote the development of environmentally responsible enterprises and enterprises focused on climate-aware initiatives (such as recycling and energy efficiency). Community mobilization activities of the project will include modules that help women and other household members engage in energy efficiency practices, understanding the benefits to their households and the environment. This enhanced awareness, transparency, and communication can be expected to increase the resilience of participating communities.

95. **Climate co-benefits.** The project includes several climate-related actions. Under Component 1: (i) CIPs will provide awareness building and capacity building to refugee and host communities to help develop entrepreneurial interest and capacity to sustain environmental enterprises and the opportunity offered by the project to develop “environmental” social enterprises that contribute to the circular economy or products that have climate co-benefits; (ii) depending on demand and market opportunity, TDAs, through CIPs, will have the option to create an environmental window that promotes social enterprise in this area, including the provision of coaching and mentoring to support business development. Under component 2, the design and construction of livelihoods facilities will support climate adaptation and mitigation. In particular, the refurbishment of existing buildings or new construction of, where applicable, will be energy-efficient, climate-aware and seismic-proof. The project will ensure investments (design, specifications, materials) conform to requirements, that any construction is properly supervised by an appointed, qualified environmental engineer to improve climate change knowledge and performance by the municipalities. To create clear climate change parameters, the project will not allow the use of coal whatsoever in project investments. Under Component 3: the project will provide climate change training for all MoIT, TDA, municipal and CIP staff etc. A climate change dashboard will be developed on the online platform to track progress of climate co-benefits. Carbon balance calculation tools will be applied for investments in agriculture to mitigate CO<sub>2</sub> emission.

## F. Rationale for Bank Involvement and Role of Partners

96. The GT has pursued a course of action over the arrival of 3.6 million Syrians that has become a model for other countries experiencing such an influx of refugees. The Bank provides incremental support to the GT’s strong institutions based on its extensive experience in formulating appropriate responses and approaches to forced displacement through

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<sup>48</sup> Encouraging findings from a randomized control trial found that the personal initiative training led to growth in female-owned businesses, in contrast to the experiences documented in the literature with many traditional training programs (Campos, Frese, Goldstein, Iacovone, Johnson, McKenzie and Mensmann. *Teaching personal initiative beats traditional training in boosting small business*, 2017. available at <https://science.sciencemag.org/content/357/6357/1287>.

<sup>49</sup> National commitments on climate change in Turkey are reflected in the “National Climate Change Action Plan” and the “National Strategy on Climate Change”, and a National Determined Contribution (NDC). Under the NDC, Turkey has committed to reduce “up to 21 percent” in greenhouse gas emissions from the Business as Usual level by 2030. The Business as Usual baseline refers to what emissions and temperatures would be like over the next half century in the absence of new policy action. Actions to meet the NDC target include energy efficiency measures, improvement of agricultural practices, waste management, and the dissemination of green buildings.



a development approach. It is focused on addressing the social and economic dimensions of displacement in the medium term, helping both refugees and host community members pursue their own socioeconomic development. Within the framework of donor support for the Syrian refugees in Turkey, the World Bank comparative advantage is to support action through government systems, to build ownership of development processes, and implement development responses to refugee situations through government procedures.

97. With a specific focus on the inclusion of vulnerable groups, particularly marginalized women, the Bank team leverages specific expertise on social inclusion, and has long worked in local economic development as a means to promoting community cohesion and the inclusion of vulnerable groups. The GT, through the TDAs, has well-established mechanisms for grants to small and medium enterprises, and through the project, the Bank will support the TDAs to underpin the development of social enterprises. It will also bring a comparative advantage in local community action that enables all community members to participate and establish integrated and sustainable processes in communities. This is particularly important in the COVID-19 recovery period. The Bank has a significant presence in Turkey, with teams of local and international experts, enabling contextually relevant, implementable, and sustainable solutions that draw on global lessons.

98. Implementation of the proposed project will enhance the harmonization policies of the GT and build evidence for investing in initiatives for refugee inclusion. As noted above, the arena of social enterprise is a relatively new concept for the MoIT and the TDAs. Through this financing, the institutional capacities of the TDAs and other key agencies to design, implement, and monitor social enterprise incubation and acceleration activities will be supported, adapted to context, and scaled up. The project thus presents an opportunity to build the skills and knowledge base of national and local government staff. At the policy level, the project will help promote the agenda on social enterprises and will inform the policy dialogue toward new legislation on social enterprises. This is an important complement to other private sector and refugee-focused support.

### G. Lessons Learned and Reflected in the Project Design

99. The project incorporates global lessons on forced displacement, together with implementation experience from World Bank-financed and other development partner projects in Turkey. Key lessons are provided below.

100. In projects that focus on addressing forced displacement, it is important to engage both refugees/internally displaced persons and host communities. A 2018 ICRC report shows that in various urban settings, host communities often perceive internally displaced persons as a burden when displacement becomes protracted.<sup>50</sup> Displacement is shown to exacerbate pre-existing problems of employment and markets, land and housing, infrastructure, waste management, and other public services.<sup>51</sup> Literature also shows that societies where relationships and social identities are rigid have more difficulties maintaining social cohesion in situations where there is rapid social change, such as when there is forced displacement.<sup>52</sup> Project evaluations<sup>53</sup> show that having separate activities for internally displaced persons and host communities can aggravate problems and tension by creating competition for resources.<sup>54</sup> The project adopts this learning that a single set of activities that supports both groups is a more effective mechanism for supporting social

<sup>50</sup> ICRC. 2018. *Displaced in Cities: Experiencing and Responding to Urban Internal Displacement Outside of Camps*. Available at: <https://www.icrc.org/en/publication/4344-displaced-cities-experiencing-and-responding-urban-internal-displacement-outside>.

<sup>51</sup> Ibid.

<sup>52</sup> De Berry and Roberts. 2018. *Social Cohesion and Forced Displacement: A Desk Review to Inform Programming and Project Design*. World Bank. Washington, DC. available at: <http://documents.worldbank.org/curated/en/125521531981681035/Social-cohesion-and-forced-displacement-a-desk-review-to-inform-programming-and-project-design>.

<sup>53</sup> For instance, World Bank IEG Project Performance Assessment Report (2018) of the Colombia Peace and Development Project.

<sup>54</sup> Ibid.





cohesion between host communities and the forcibly displaced.

101. The most important potential impact of a project aiming to support refugees is increased social cohesion. A recent review of the 30 World Bank projects that directly or indirectly aimed at promoting social cohesion in settings where there is forced displacement recommends a number of steps that will be taken up by the project and associated analytical work, i.e. (i) apply a simple definition of social cohesion;<sup>55</sup> (ii) prioritize a nuanced political economy study and historical analysis; (iii) take a longer-term strategic approach to supporting social cohesion; and (iv) incorporate activities to measure and monitor social cohesion outcomes. Social cohesion is understood to have intra-community, inter-community, and community-institutional dimensions, mostly focused around cooperation. The project will have completed a field study in a sample set of communities, will adopt a first-do-no-harm approach, and includes a social cohesion indicator.<sup>56</sup>

102. Addressing the needs of refugee women requires addressing the root causes of gender inequality and gender-based violence. Evidence points to the fact that women and girls from displaced households are more vulnerable than others to gender-based violence,<sup>57</sup> including rape and forced/child marriages.<sup>58</sup> Violence against women, in turn, limits women's earning capabilities.<sup>59</sup> In a 2015 survey, 94 percent of respondents, including practitioners, policy makers, researchers, and activists working on gender-based violence, identified women's economic dependency on men as the single most important factor or cause of violence against women.<sup>60</sup> At the same time, working women can face violence on their way to work, especially when they use public transport or live in informal settlements or camps.<sup>61</sup> A 2018 assessment of Syrian women and girls in Turkey noted that gender-based violence is prevalent among the Syrian population and is closely interlinked with the socioeconomic challenges that Syrian women and girls face daily. The project will complement gender-related efforts by focusing on awareness-raising and education campaigns. Addressing the root causes of gender inequality is therefore essential when aiming to reduce violence against women. There is also evidence that if the gender inequalities that drive violence against women are not addressed, economic empowerment initiatives can make the lives of women worse. DFID's women's economic empowerment program report highlights that improving women's knowledge and communication capabilities in work and in the home, promoting formal employment away from the home, promoting women's organizations and networking, and increasing women's access to business development services and financial services, are some of the key enabling or facilitating factors for promoting women's empowerment.<sup>62</sup> A holistic approach to addressing gender issues for Syrian refugees has been considered in the design of this project and will be fine-tuned at the local level.

103. National ownership and political will for the socioeconomic inclusion of displaced populations is a prerequisite for sustainability. Development responses to forced displacement should be government-led and embedded with institutional systems of governance and financing. The GT has adopted a holistic development approach to forced

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<sup>55</sup> The set of relationships between individuals and groups in a particular environment and between those individuals and groups and the institutions that govern them in a particular environment.

<sup>56</sup> De Berry, op cit.

<sup>57</sup> World Bank. 2018. *Gender Based Violence in Fragile, Conflict, and Violence (FCV) Situations: Five Key Questions to be Answered*. World Bank. Washington, DC. available at: <http://documents.worldbank.org/curated/en/500211539840991140/Gender-Based-Violence-in-Fragile-Conflict-and-Violence-FCV-Situations-Five-Key-Questions-to-be-Answered>.

<sup>58</sup> Ibid.

<sup>59</sup> Georgia, T. 2015. *DFID Guidance Note on Addressing Violence Against Women and Girls (VAWG) Through DFID's Economic Development and Women's Economic Empowerment Programmes: Part B*. London: VAWG Helpdesk. available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/444145/Health-guidance-note-partB\\_2\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/444145/Health-guidance-note-partB_2_.pdf).

<sup>60</sup> Ibid.

<sup>61</sup> Haspels et al. 2001. in Georgia, ibid.

<sup>62</sup> Kabeer, 2011 in Georgia, ibid.



displacement and has pursued exemplary and progressive policies to promote socioeconomic inclusion of refugees and their access to health, education, social protection, and municipal services. Building on the GT's development approach, the project will build the capacity of government to work with both state and non-state actors (CIPs) to support the development of social entrepreneurship.

104. Investments to promote the socioeconomic inclusion of refugees and host communities is sustainable when activities are designed and implemented in partnership with local stakeholders. A World Bank review of social cohesion approaches globally highlights the importance of history, and organizations embedded in communities are most likely to understand the sociopolitical economy issues, and understand that social cohesion is greater than refugee-host community dynamics.<sup>63</sup> The project will adopt an implementation approach whereby TDAs appoint CIPs (NGOs, foundations, or a consortium of such entities) that have sound knowledge of and access to communities through trusting relationships and will deliver a holistic set of services. A non-state–state approach that also champions local women leadership and develops platforms for engagement with local authorities is proposed.

105. Facilitating refugees and host communities to identify their own priorities and mechanisms for socioeconomic inclusion will create more sustainable and relevant action—platforms for engagement and feedback from beneficiaries is key to targeting, and locally relevant solutions. The project seeks to build on existing development planning processes while enhancing the participation of refugees and host communities. Beneficiary engagement has dual benefits. First, it leads to better understanding of needs, improved efficiency of activities, and sustainability of investments; and second, engaging refugee and host community groups (targeted engagement with women, youth, ESSN beneficiaries and people with disabilities) fosters harmonization and cohesion. This approach will be supported by the skilled facilitation of local actors, capacity building of women leaders, transparency and access to user-friendly information, and mutually-beneficial processes and outcomes. The project will mobilize refugee and host community beneficiaries (both women and men) and provide capacity-building support to enhance their participation in local socioeconomic development processes.

### III. IMPLEMENTATION ARRANGEMENTS

#### A. Institutional and Implementation Arrangements

106. There are six implementing agencies for the project – one at the national level and five at the subnational level. The Ministry of Industry and Technology (MoIT) will be the recipient of the project,<sup>64</sup> and the implementing agencies for Components 1 and 2 will be five **Turkish Development Agencies (TDAs)** (Kalkınma Ajansı) implementing in 11 provinces as follows:

- i. Silkroad Development Agency (implementing in Gaziantep, Adiyaman, and Kilis Provinces)
- ii. Eastern Mediterranean Development Agency (implementing in Hatay, Osmaniye, and Kahramanmaraş Provinces)
- iii. Karacadağ Development Agency (implementing in Sanliurfa and Diyarbakir Provinces)
- iv. Çukurova Development Agency (implementing in Adana and Mersin Provinces)
- v. Tigris Development Agency (implementing in Mardin Province)<sup>65</sup>

107. **The Ministry of Industry and Technology** was established in 2018 with the mandate to determine policies toward science, technology, and innovation in line with industrial, economic, and social development, and national security

<sup>63</sup> De Berry, op.cit.

<sup>64</sup> The MoIT will include the project in the Annual Investment Plan from 2020 to 2024.

<sup>65</sup> Silkroad Development Agency - İpekyolu Kalkınma Ajansı; Çukurova Development Agency - Çukurova Kalkınma Ajansı; Eastern Mediterranean Development Agency - Doğu Akdeniz Kalkınma Ajansı; Karacadağ Development Agency - Karacadağ Kalkınma Ajansı; Tigris Development Agency - Dicle Kalkınma Ajansı.



policies and strategies. Through the TDAs and other financing mechanisms, the MoIT provides financial and technical support to entrepreneurs and small and medium enterprises. Key staff have moved from the Ministry of Development to the MoIT and have experience with World Bank-financed projects and working with the TDAs. Recently, the MoIT and several TDAs introduced a number of innovative support packages targeting social entrepreneurs.<sup>66</sup>

108. The MoIT, under the Department for the Coordination of Development Agencies of the General Directorate of Development Agencies, will establish a dedicated **Project Implementation Unit (PIU)** for the purposes of project management and coordination, and appoint a dedicated Project Coordinator. The PIU team will include qualified procurement and financial management (FM) specialists. The MoIT will ensure overall compliance with the provisions of a Project Operations Manual (POM), which will establish the guidelines for the implementation of Components 1 and 2, as well as the implementation responsibility for safeguards, procurement, FM, M&E, and overall coordination. The leadership, coordination, and communications and visibility function of the MoIT PIU will be implemented under Component 3, which also includes a capacity building and strategy development function. The PIU will draw on the staff and capabilities of a number of MoIT departments,<sup>67</sup> and will assign staff or appoint consultants for technical oversight (e.g. on social entrepreneurship and gender). The MoIT will also appoint qualified social and environmental safeguards staff in order to meet the Bank's Environmental and Social Framework (ESF) requirements. The MoIT will draw on its internal systems, which track financing, progress, results, and sustainability. The MoIT will open a designated account.

109. As noted above, Components 1 and 2 will be implemented by **Turkish Development Agencies (TDAs)** located in the target provinces. The TDAs in Turkey were established under Law No. 5449 on Development Agency Services in 2006 regulating their establishment, management, coordination, procedures, and principles. An additional set of regulations were introduced regarding the TDAs under Presidential Decree No. 4 issued on July 15, 2018 that reorganized the legal framework for the establishment and management of Development Agency services.<sup>68</sup> They have been established with their own governance structure. An additional set of regulations<sup>69</sup> defines the types and general procedures for TDA support for projects and activities, budgeting and accounting, and audits. The mandate of the TDAs is to provide technical and financial resources for enterprise development and to support the overall development of the entrepreneurship ecosystem in their regions. TDAs have significant experience in providing financial support to a range of state and non-state institutions (private sector entities, NGOs, public entities, universities, professional organizations, local administrations and cooperatives) adapted to local contexts. Flexibility in the operational approach offered by TDAs in Turkey will allow for responsive decision making in the project—this will be critical to ensure entrepreneurship support service packages are relevant and tailored to local markets, local demand, and development priorities. The TDAs have experience in implementing a number of instruments (direct grants, guided project support, and technical (training and capacity building) support), and the project will utilize these where possible.<sup>70</sup>

<sup>66</sup> The MoIT and several TDAs have introduced support packages targeting social entrepreneurs. In addition, the MoIT is also actively involved in the preparation of possible future legislation concerning social entrepreneurship in Turkey.

<sup>67</sup> The following departments under the General Directorate of Development Agencies are expected to contribute to project implementation: (i) Development Agencies Coordination Department; (ii) Monitoring, Evaluation and Analysis Department; (iii) Planning, Programming and Urban Development Department; (iv) Local and Rural Development Department; and (v) Administrative Services Department (Administration and Fiduciary Issues).

<sup>68</sup> The Presidential Decree on Development Agencies.

<sup>69</sup> The Regulation of Development Agencies Project and Activity Support defines the types and general procedures of the TDAs' support mechanisms; the Regulation of DA Budget and Accounting defines the principles and procedures regarding the budgeting and accounting of the TDAs' activities; and the Regulation of DA Audit defines the internal and external audit procedures and the financial capability of the TDAs.

<sup>70</sup> As of June 2019, 66 financial support programs have been implemented by 21 TDAs with TL 530 million allocated to 1,705 projects. The TDAs are established at the level of NUTS2 (Nomenclature of Units for Territorial Statistics). The objectives of the TDAs include: enhancing cooperation between public institutions, the private sector, and NGOs; ensuring the appropriate and effective use of resources; triggering local potential in order to enhance regional competitiveness and ensure regional development; and diminishing interregional and intraregional disparities. TDAs have their own financial resources and well-qualified staff. Planning and coordination, project management, M&E, city marketing and foreign relations, and corporate management units report to a Secretariat General.



110. Although TDAs have less experience in social development than private sector development, they have a commitment to local socioeconomic development in vulnerable communities (women’s entrepreneurship and social cooperatives, support for children and youth, and vocational and technical education programs for those not in education, employment or training). Moreover, TDAs are familiar with the outsourcing of services to enable the high level of support envisaged in Subcomponent 1A. The MoIT carries out annual assessments of the TDAs. Each TDA will appoint a Project Manager and ensure the management, technical, fiduciary, communications, and safeguards staffing to implement the project in the target provinces. TDAs will also manage the grievance redress mechanism (GRM) at the regional level, and support implementation of the Communications and Visibility Plan working with and ensuring the collaboration of local authorities. TDAs will participate in the bid evaluation committees for the procurement to be conducted by the MoIT in their regions, and will sign the resulting contracts that will be implemented by respective TDAs, as further specified in the procurement plan in Annex 6. TDAs will also be responsible for monitoring the implementation of internal control systems related to the funds channeled to the Community Implementing Partners. These internal control systems as well as the role of the TDAs will be detailed in the Subgrants Manual (SGM). The TDAs will sign subsidiary agreements with the MoIT prior to effectiveness.

111. The TDAs and the provinces identified during preparation were selected based on the consideration of a set of criteria and detailed calculations for the distribution of project funds. This included: the density of refugee populations, and proximity to the Syrian border; the Socioeconomic Development Index of provinces; poverty and unemployment rates (among women and young people); density influx—the proportion of refugee arrivals; the TDAs’ capacity to use funds for social programming; and consideration of the amount of funding needed to create a social entrepreneurship ecosystem in target areas.

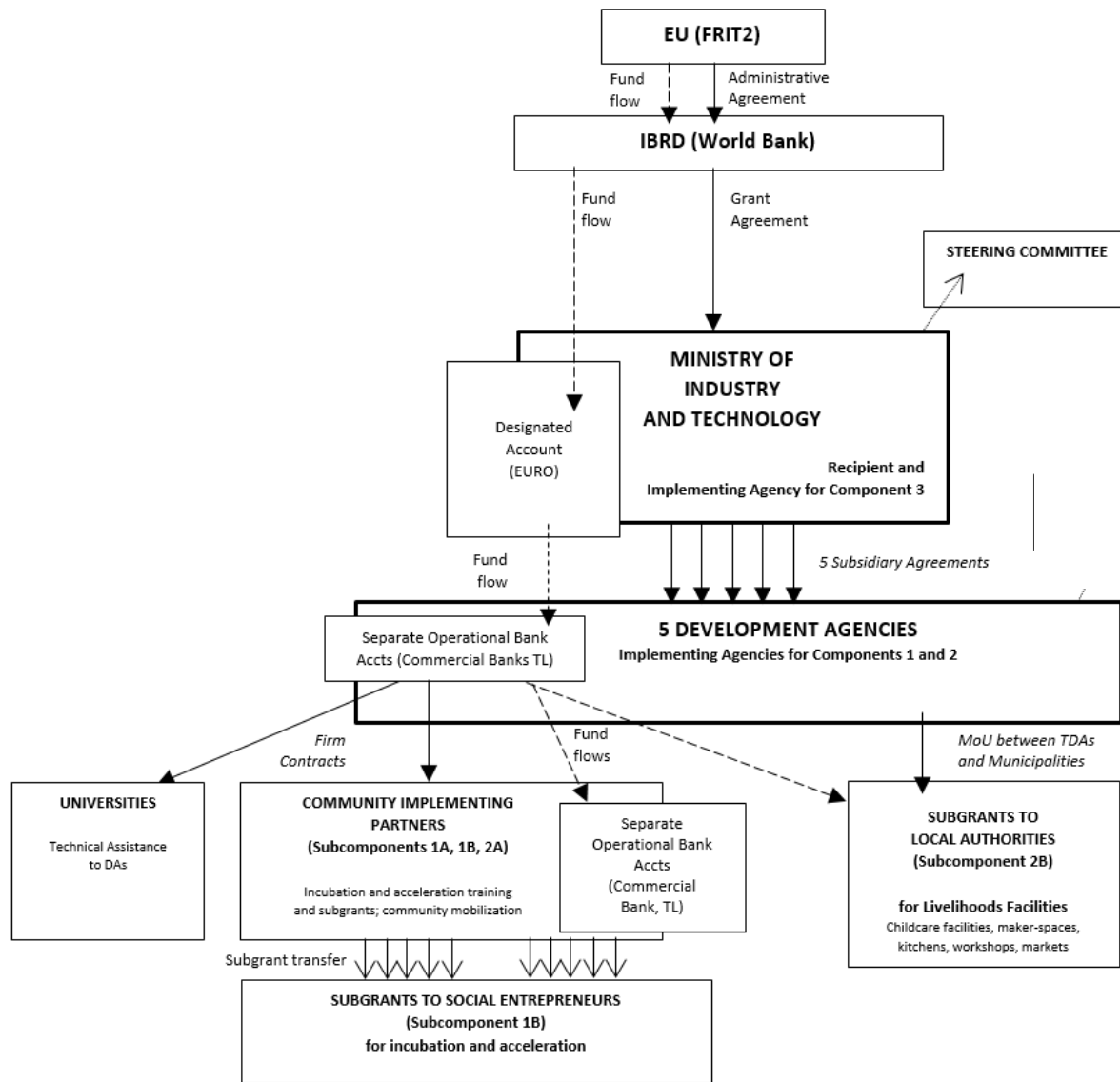
112. To reach anticipated socioeconomic goals, the TDAs will utilize project funds to appoint, through a competitive procurement process, qualified non-state **Community Implementing Partners (CIPs)** with experience of community-level action in their localities, incubation and acceleration support services, subgranting, community mobilization and development, support for refugees, grievance redress, and institutional capacity building. The MoIT will work with the TDAs to develop the TOR and to launch the CIP procurement process, and TDAs will sign firm contracts (under World Bank procurement procedures) with CIPs to implement project activities in defined project locations. It is anticipated that there will be one CIP per TDA. It is also anticipated that the CIPs will likely be associations comprising different organizations that contribute different knowledge and skills. A study of potential CIPs was conducted during preparation to better understand geographic coverage, scope, and technical/fiduciary capacity. An advance procurement process will be launched, in parallel to the community-level needs and market needs assessment studies, to identify the CIPs with the best qualifications and experience, from which proposals will be requested. The CIP procurement will be subject to ex-ante due diligence review by the World Bank.

113. CIP responsibilities will include organizing the selection process for refugee and host community members to enter the social entrepreneurship program; approval of microenterprise business plans; training, mentoring, and coaching activities for incubation and acceleration, and post-creation/post subgrant supporting services (included under Subcomponent 1A); and the community mobilization and social cohesion activities envisaged under Subcomponent 2A. TDAs will thus utilize the outreach capacity of local civil society and humanitarian organizations (e.g. community centers, one-stop centers) to identify social entrepreneur beneficiaries for the incubation and acceleration programs within the geographical areas defined for the project in each province and municipality. Fiduciary capacity assessments of the CIPs and corresponding TDAs will be carried out prior to any decisions regarding subgrant disbursement, to ensure the least fiduciary risk. The procedures for the disbursement of subgrants will be finalized and included in the SGM, which will be approved by the Bank within 60 days of effectiveness.

114. The implementing partners, legal agreements, and fund flows are illustrated in Figure 2 below:



Figure 2: Implementing Partners, Legal Agreements, and Fund Flows



115. Given the different skills and experience needed to perform the CIP roles and responsibilities (e.g. community connection to refugees, social enterprise development), and the variation in the market in the different provinces, it is anticipated that joint ventures will be formed from a range of non-state organizations (including community-based organizations, national and international NGOs, universities, and chambers of commerce). It is also anticipated that universities with knowledge of the development of social enterprises and the social enterprise ecosystem will be key stakeholders at the regional level and may be contracted by the TDAs and MoIT to provide technical assistance.

116. The TDAs will work with the local authorities (i.e. municipalities and Governor’s offices) in their provinces to implement project activities under Subcomponent 2B, which aims to refurbish and rejuvenate existing buildings to support livelihoods-related activities in local communities (such as childcare facilities, kitchens, workshops, etc). Local authorities will prepare feasibility plans (including facility oversight, staffing, sustainability, and O&M plans) for the approval of the TDAs. The TDAs will sign a **Memorandum of Understanding (MOU)** with each participating local authority



and will utilize a “guided project support” subgrant mechanism to channel funds to local authorities to carry out these activities. In order to avoid any perceived conflict of interest, the proposed livelihoods-related activity subproject will be approved by the MoIT before the TDAs sign the MOU with the relevant local authority. The local authorities will administer, in full, the construction contracts for refurbishment, and ensure ongoing O&M.

117. The project will be coordinated through a **Project Steering Committee**. The MoIT will convene and ensure the appropriate functioning of the Steering Committee, with representatives from the MoIT, as well as institutions such as provincial Governorates, provincial offices of the Turkish Employment Agency (ISKUR), provincial Directorates of Family, Labor and Social Services, provincial Migration Management Directorates, and other relevant stakeholders – as defined in the POM. The Steering Committee will have an important role in advising on implementation modalities and challenges, coordinating among relevant government institutions to facilitate the development of the legal framework for social business development, and to address any project coordination issues. The MoIT project team will carry out the secretariat role of the Steering Committee.

118. **Communications.** The MoIT and TDAs will jointly implement the communications and visibility aspects of the project. The MoIT and each TDA will both appoint staff to support the communications activities required for FRIT-financed projects. Communications activities will also be closely coordinated with the local authorities that will be engaged under Component 2, to manage any risks and maximize the opportunities of the participatory process of selection and development of the livelihoods facilities (see Annex 5 for details).

119. A **Project Operations Manual** will set out the details of all procedures and technical aspects of each component, provide the relevant FM, procurement, and safeguards procedures, as well as the M&E requirements and reporting procedures. Ensuring a highly detailed POM (including training manuals) will mitigate against risks of delay and unintended decisions being made during implementation. It will also need to be adapted to the regional TDA contexts. A schedule of staff and consultants, and TORs will be included in the POM. The content of the POM will be reflected in peripheral documents (such as explanatory notes for government staff, contracts for CIPs, and public information materials). The POM will include a good governance framework to establish additional governance-related procedures (such as transparency and access to information, conflict of interest, code of conduct, and social accountability processes) in addition to the GRM). The POM will be supplemented by a **Subgrants Manual** that will guide the process required for the subgrants to be provided under Subcomponent 1B. The POM will be a condition of effectiveness and the SGM will be completed within 60 days of effectiveness. Both will be made available on the project website.

## B. Results Monitoring and Evaluation Arrangements

120. The PIU will be responsible for monitoring activities and progress, and evaluation. It will have experienced M&E staff to ensure implementation of M&E functions, and the M&E team will be strengthened through capacity-building activities under the project. The MoIT will prepare and send regular implementation progress reports and supporting information to the World Bank (aggregating reporting from TDAs). An appropriate MIS will be developed by the project to enable access by the MoIT, TDAs, CIPs, and where possible, beneficiaries.

121. The monitoring of results, including data collection and preparation of reports, will be based on the indicators defined and detailed in the Results Framework agreed under the Facility for Refugees in Turkey. Accordingly, all indicators will be disaggregated by ESSN recipients, clearly measuring refugee and host community members ratios as well as the measures for women and youth. Three primary approaches will be used to measure progress and results. First, the MoIT will collect information for regular project reporting on the activities in Component 1 and 2. This will include a set of agreed output measures and results indicators, other implementation issues, safeguards risks, and readouts from the beneficiary feedback mechanism. Quarterly progress reports will be made available 45 days after the end of each reporting period, and include the output indicators described in this PAD (and approved in the POM), as well as updates





on the Results Framework indicators. Second, the MoIT, with the TDAs, will facilitate community monitoring processes to ensure feedback from beneficiaries. This will include a regular readout on refugee and host community engagement indicators measured through the participatory processes in Subcomponents 1A and 2A, with a view to incorporating a process for dialogue and action. During preparation, in cooperation with the MoIT and TDAs, a World Bank team started a series of beneficiary dialogues in a number of project areas to identify the diverse refugee and host community challenges and opportunities for social enterprise and enhanced livelihoods, as well as social cohesion issues. This ongoing dialogue process will help inform the detailed design of project activities in the POM and support project measurement. All information will be collated at the national level and made available for annual discussions. Third, the project will include baseline, midline, and endline evaluations, which will be conducted by an independent firm to be hired by the MoIT. These evaluations will include perception surveys with social cohesion measures (drawing on international survey tools, instruments utilized in Turkey, and indicators selected by the communities themselves). The POM will include an M&E section that defines the methodology for the measurement of each indicator, and incorporate, as relevant, the TDAs' M&E systems as outlined above; it will also specifically define the requirements of reporting on the Results Framework agreed under the Facility for Refugees in Turkey.

### **C. Sustainability**

122. The project takes forward the ESSN Exit Strategy, which seeks to create more developmental solutions that help refugees pursue an independent socioeconomic life in Turkey.<sup>71</sup> The strategy specifically mentions the development of social enterprises, and the importance of social cohesion, both of which underpin sustainable solutions to the refugee crisis. The project seeks to address fundamental issues affecting the host communities and establish platforms for delivering benefits to all.

123. The TDAs have been supporting small and medium enterprise development for the past 12 years. While the project requires an expansion of the normal products supported by the TDAs, to include social and micro-level enterprises, this is well within the scope of their mandate and capability, and represents an opportunity for them to use grant funding to establish a stream of business focused on the vulnerable and marginalized parts of local communities. As the project is in line with Turkey's national and regional development plans, it is expected that project institutions will continue to support social entrepreneurship after the project closes. The MoIT will continue coordination of the TDAs in order to carry out necessary follow-up activities, and it will continue working on identifying specific sustainability measures for social enterprises after the end evaluation is completed. MoIT will also propose activities for results-oriented programs for the TDAs, according to the lessons learned from this proposed project. Accordingly, the TDAs will continue to implement financial and technical support programs in the area of social entrepreneurship and social innovation. By supporting the institutional capacity building of the participating TDAs (see Subcomponent 3A), the project aims to underpin social entrepreneurship as a line of business in TDAs and establish a track record with local implementing partners. Moreover, by working through TDAs, the microenterprises become familiar with a platform for future potential access to finance.

124. It is anticipated that the TDAs under the MoIT will also complement the social entrepreneurship incubation and acceleration programs with existing financial support in cases where there is opportunity, which would multiply the impact of activities supported by this action. The results of this project will feed into the current entrepreneurship programs, expand the ecosystem, and influence the new support programs as planned in Turkey's Entrepreneurship Strategy developed by KOSGEB.<sup>72</sup> The Ministry of Trade is also looking forward to receiving more successful examples in the social business sector to inform the policy and legal framework changes. The TDAs will be responsible for ongoing promotion of social enterprises and development of public awareness in their respective regions.

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<sup>71</sup> The program is implemented nationwide in partnership with the Ministry of Family, Labor and Social Services, the World Food Programme, and the Turkish Red Crescent.

<sup>72</sup> SME Development Organization of Turkey.



125. Many initiatives supporting social enterprises only fund the training and subgrants and rely on unsustainable models for production. In particular, once the project ends, the premises that the social enterprises use (such as kitchens, maker-spaces, markets) close because they are funded by NGOs. This project seeks a more sustainable solution for social enterprises by creating assets/facilities that will be owned and operated by municipalities, and thus be available when project funding stops, as municipalities have the incentive to enhance economic development. A precondition for funding will be that the municipality or relevant department commits a budget for O&M, and each subproject financed under Component 2 requires an O&M plan. Moreover, where possible, agreements will be made with municipalities to enable the beneficiaries themselves to participate in their operation (reducing municipal costs and increasing community ownership). For example, maker-spaces could be cleaned and managed by the social enterprises and childcare facilities could be a social enterprise that operates according to Turkish regulations.

126. The sustainability of social enterprises established by women and vulnerable people is dependent on a range of factors. The most important sustainability factor will be linking the social enterprises with the private sector in order to integrate them into supply value chains, be it at the neighborhood, local, or regional level. For incubating and accelerating social enterprises, these links with the private sector are paramount. The CIPs will help ensure that social enterprises are linked to sustainable markets through the Subcomponent 1A support system, and that they are ready and connected to advisory systems post-project. The project will establish a responsible sourcing platform to raise the awareness of investors and the business sector to purchase goods and services from these social enterprises. The new social enterprises will then have the chance to apply to existing entrepreneurship and microfinance programs offered by KOSGEB, TDAs, and other institutions. After the completion of the project, the TDAs will have the opportunity to continue to support the social entrepreneurs and enterprises through their financial and technical support systems.

127. The MoIT, together with Ministry of Trade, will continue to collaborate on the preparation of legislation on social enterprises, including through development of the strategy report on social enterprise development under Component 3. The legislative working committee formed under the Social Enterprise Ankara Platform began its activities in 2019 and preliminary research in this area will be completed prior to project commencement. This project is expected to inform policy change and support the ongoing initiatives by the abovementioned ministries. The legal recognition of social enterprises, which is the one of the objectives of the legislative committee, will be the most important aspect of sustainability. Constraints faced with respect to business development and a lack of business-related knowledge and experience will be supported for 18 months through post-creation coaching opportunities. The project also recognizes that emerging entrepreneurs, especially women with multiple burdens, face numerous other challenges that might hinder the sustainability of the enterprises (such as childcare, safe transportation, working outside their neighborhoods, cultural norms, and male resistance) and the project will carry out participatory assessments to identify, and find solutions to, the locally-relevant constraints of Turkish women and refugees. The project will provide a supportive environment that is not only about business, through CIPs that have experience working with women and supporting social enterprise development. The project will also enhance the support system for social enterprises by establishing a business alliance on responsible sourcing that reinforces and creates a mutually dependent system.

## **IV. PROJECT APPRAISAL SUMMARY**

### **A. Technical, Economic and Financial Analysis**

#### **a. Economic and Financial**



128. The economic and financial analysis conducted during preparation suggests that each of the proposed initiatives is economically viable at a social discount rate of 11 percent<sup>73</sup> over their 10-year expected lifetime. The project’s overall economic internal rate of return (EIRR) has been calculated at **21.7 percent** over a 10-year period, with regard to three subproject investments.<sup>74</sup>

129. The analysis employs a simplified cost-benefit methodology, where solely the direct cost and monetary value of selected benefits are compared, and net present value (NPV) and EIRR are presented.<sup>75</sup> Implementation costs and benefits, adjusted for inflation and the country’s economic conditions, were estimated on the basis of existing empirical evidence to assess the initiatives’ economic viability. Nevertheless, both hosting and refugee communities benefiting from the project intervention face poverty and lack of economic opportunities. The main hypothesis is that appropriate design and implementation of various investments would significantly increase the social and economic conditions of those groups, particularly focusing on promoting women’s entrepreneurship, through improved economic outcomes, achieved by meeting basic needs and acquiring essential services. Other expected results include improved social cohesion, the lack of which can be exacerbated by limited economic opportunities and unequal socioeconomic conditions. The assessed interventions include the subgrants described in Subcomponent 1B and two economically viable subprojects of Subcomponent 2B, each with a positive NPV at an 11 percent discount rate and high EIRR (Table 3). A sensitivity analysis has been conducted to test for findings’ robustness under unpredictable, unfavorable economic conditions. The project’s proposed interventions remain economically viable under the scenarios examined, which are detailed in Annex 2.

**Table 3: Cost-Benefit Analysis of Selected Development Subprojects**

	<b>Subgrant</b>	<b>Access to childcare</b>	<b>Access to market</b>
<b>Investment</b>	EUR 14,300,000	EUR 4,574,493	EUR 1,321,288
<b>NPV*</b>	EUR 7,082,978	EUR 2,700,627	EUR 1,381,138
<b>EIRR**</b>	<b>20.7%</b>	<b>23.3%</b>	<b>26.3%</b>

\*NPV with 11 percent social discount rate over a 10-year period.

\*\*Turkey’s cost of capital is 19.75 percent (World Bank).

**b. Technical**

130. The technical design of the project draws on lessons highlighting the importance of engaging both refugee and host communities as equal beneficiaries, takes forward innovations in social enterprise development with a focus on women, and embeds social cohesion-related actions as part of the delivery of project components. The design also pays attention to building the capacity and institutionalizing project activities within the MoIT and participating TDAs to support implementation and sustainability of project processes and investments over time. While the implementing agencies have high technical and implementation capacity and are experienced in financing private sector development projects, refugee inclusion and social entrepreneurship are relatively new areas of engagement.

131. The project draws on best practice in the development of small social entrepreneurship programs involving refugee and host communities, with a focus on women. The project supports economic independence by creating a sustainable socially-oriented business model in which women (and other vulnerable members) of refugee and host communities generate an income from self-employment and small-scale economic activity. The design includes: (i) a focus on subgrants to individuals to address the lack of access to finance; (ii) an accompanying intensive training,

<sup>73</sup> In accordance with World Bank guidelines on Social Discount Rate.

<sup>74</sup> The conclusion is conservative as each of the criteria presents far larger economic returns in terms of indirect social benefits (described in the “Analysis of Subprojects’ Costs and Benefits” section of Annex 2), although not tangible or readily quantifiable.

<sup>75</sup> Bugnion, C. 1998. “Economic Rationalization of Humanitarian Aid: Use of cost and effectiveness indicators to evaluate ECHO funded humanitarian emergencies”. European Community Humanitarian Office.



mentoring, and coaching component to underpin entrepreneurship activities; and (iii) support for community facilities in target areas to address the specific barriers women face in their entry into, and sustained engagement in, income-earning activities. Based on the local context, this could include, for example, the need to work from home, access livelihoods facilities and materials, access childcare, overcome male household member perspectives, and gain specific skills and experience. The focus on women from both refugee and host communities envisages their role as both social entrepreneurs and employees of the newly-created or expanded social enterprises.

132. The project is also designed to support social cohesion outcomes. Based on global experience, project activities focus on the multifaceted dimensions of cohesion: (i) cohesion within communities; (ii) cohesion between members of the refugee and host communities; and (iii) cohesion between the communities and Turkish authorities. During preparation and prior to the development of the POM, the project conducted fieldwork to identify social cohesion challenges and will provide support to the TDAs to develop targeted actions within the scope of the women's livelihoods focus of the project. This could include opportunities for joint refugee/host community training and coaching, joint business development, enhanced dialogue and engagement between communities and municipalities on social enterprise development, and cooperation on community facilities in target areas.

## **B. Fiduciary**

### **a. Financial Management**

133. The PIU, housed in the MoIT's General Directorate of Development Agencies, will be responsible for the coordination of the project's FM arrangements. The project will utilize the internal control procedures of the institution. The POM that will be prepared will include all internal control mechanisms relating to project components, and acceptance of the POM will be an effectiveness condition. Additionally, the internal control mechanisms relating to the subgrants as well as the roles and responsibilities of the TDAs and CIPs will be detailed in the SGM, within 60 days of the date of effectiveness.

134. There will be one designated account for the project and each TDA will have a dedicated operational bank account under the designated account. The designated account will be opened at either the Central Bank of the Republic of Turkey or at a public bank included in the Public Finance Decree. The payments from the designated account will be registered by the PIU, and the payments from the operational bank accounts will be registered by the TDAs. The reporting requirements of the TDAs will be detailed in the POM. The MoIT is not required to budget for grant funds, but it is required to keep a record of grant expenditures in a specific account designated for the project. The FM staff and consultants that will be assigned to the project will maintain the project accounts and will be responsible for the preparation of project reports and financial statements. The project financial statements will be audited by Treasury Controllers. The project audit report will be made publicly available as per the Access to Information Policy of the World Bank.

135. Components 1 and 2, which will be implemented by the TDAs and make up the major part of the project, will include contracts with CIPs and subgrant agreements with beneficiaries, based on approved business plans. The procurement for the CIP contracts will be conducted centrally by the MoIT PIU. The roles and responsibilities of the PIU, TDAs, and CIPs, regarding FM for subcomponents 1B and 2B of the project, will be documented in the SGM. CIPs will have escrow accounts for subgrant funding to pass through, and all payments will be transferred to beneficiary bank accounts.

### **b. Procurement**

136. The World Bank "Procurement Regulations for IPF Borrowers – November 2020" (Procurement Regulations) will apply to the proposed project. The World Bank's "Guidelines on Preventing and Combating Fraud and Corruption in



Projects Financed by IBRD Loans and IDA Credits and Grants” dated October 15, 2006 and revised in January 2011 and as of July 1, 2016 (Anti-Corruption Guidelines) will also apply to the proposed project.

137. The MoIT prepared a Project Procurement Strategy for Development (PPSD) in which it proposed to apply the Procurement Regulations, including “Approved Selection Methods” for the procurement of all contracts under the proposed project. The PPSD proposed that all major procurements will be conducted by the PIU established under the MoIT/DGDA, except the procurements under Subcomponents 1B and 2B, which will be performed by the relevant beneficiaries in accordance with the procurement arrangements stipulated in the POM and SGM and/or agreed procurement plans. The PPSD proposed to initiate procurements as early as possible for the timely implementation of the contracts. However, the procurements under Subcomponents 1B and 2B are demand-driven and their nature and sizes are not known at this stage.

138. The critical procurement is the selection of the CIPs, which requires careful attention by the MoIT/DGDA. Failure in the procurement of the CIP contracts will pose a substantial risk to the delivery of the project development objectives. CIP procurement will be subject to the Bank’s ex-ante due diligence review. More details on the findings of the procurement assessment, the proposed procurement supervision arrangements, risks, and relevant mitigation measures to address them are provided in Annex 1.

**C. Legal Operational Policies**

	<b>Triggered?</b>
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

The activities to be financed through grants under Component 1 will mainly support women and youth entrepreneurs from refugee and host communities for starting up new, or expanding, socially and environmentally oriented businesses. Given that project funds under Component 2 may be used for small works (such as small construction, retrofitting, refurbishment and IT infrastructure) to improve the social and economic infrastructure for the target groups, limited environmental impacts are expected. These impacts can include noise, dust and waste management that are confined to small works such as simple construction, refurbishment, retrofitting. MoIT prepared a preliminary draft of an Environmental and Social Management Framework (ESMF) by appraisal and will finalize and disclose no later than 30 days after effectiveness which will serve for managing environmental and social impacts and risks for the Development Agencies to adopt in the sub-grants manual (SGM). The ESMF will also include the environmental and social review procedures and will include an ESMP (environmental and social management plan) checklist for low/moderate risk refurbishment projects.

The project aims to have positive social impacts by contributing to women’s livelihoods and empowerment in refugee and host communities and improving social cohesion. The project is not expected to have any irreversible or unmanageable impacts, as the project will exclude from eligibility for financing any activities requiring land acquisition and involuntary resettlement. The project aims to assist women and youth to engage in micro-businesses in sectors such as agricultural production, food production, small manufacturing, textile and garments, arts and crafts, social services and clean products). The social enterprises and people they shall employ are project beneficiaries. The measures to protect them are included in the project design, ESMF and grant manuals. These social enterprises shall follow applicable national labor and employment legislation. Any potential risks related to child and forced labor will be mitigated with procedures included in the ESMF. The sub-grants manual will explicitly exclude any activities which



involve child labor. The project design already included support to child care facilities, as a measure to avoid the presence of children in social enterprises. The CIPs will have the supervisory role and be responsible to the DAs to ensure that skills and business training provided to project beneficiaries leads to positive employment outcomes.

In order to manage social tensions risks in some cities due to the host community sensitivities around the competition for employment opportunities and access to services, MoIT has prepared a Stakeholder Engagement Plan (SEP). SEP which requires rigorous pro-active communication and stakeholder engagement while designing and implementing the entrepreneurship sub-grant programs. The Development Agencies and MoIT will develop a targeted communication strategy including the eligibility criteria and sub-grant selection process. To mitigate risks and enable project beneficiaries to express project-related grievances and concerns, MoIT and Development Agencies will establish a project level GRM no later than 30 days after the effectiveness of the Project.

MoIT and DAs will receive a training for the proper implementation of the Bank's ESF. Screening and monitoring procedures for environmental and social impacts have been prepared by the MoIT prior to Appraisal as part of the Environmental and Social Commitment Plan (ESCP).

#### D. Environmental and Social

139. **Environmental impacts (including safeguards).** Activities financed under the project are not expected to have large-scale, significant, and/or irreversible environmental and social impacts. It is anticipated that the subprojects under Component 1 to support social enterprises will consist mainly of enterprise activities within existing buildings and will not involve large-scale construction works. It is anticipated that subprojects under Component 2 to support the development of livelihoods facilities will focus on refurbishment, renovation, retrofitting, and extension of facilities on public land. The environmental impacts are expected to be limited, including noise, dust, and waste management.

140. According to the World Bank's ESF, the environmental risks of the project are rated as Moderate. The relevant environmental and social standards that apply to this project are: ESS1: Assessment and Management of Environmental and Social Risks and Impacts; ESS 2: Labor and Working Conditions; ESS3: Resource Efficiency and Pollution Prevention and Management; ESS4: Community Health and Safety; and ESS10: Stakeholder Engagement and Information Disclosure. The MoIT has prepared a draft ESMF, which describes how the implementing agencies will manage environmental and social risks of the project. The TDAs will adopt the ESMF in the SGM. The ESMF will include an environmental and social management plan checklist for low/moderate risk refurbishment projects. The ESMF will also have a negative list of subprojects that are not eligible for financing, including ineligible sectors, and any subproject that involves land acquisition, impacts biodiversity, and/or cultural heritage, or takes place in any natural or critical habitat. Real estate purchases and major construction works will also be excluded. Stakeholders will be consulted on the ESMF, and it will be disclosed before project effectiveness. The capacity of the PIU will also be increased by hiring additional staff to support the TDAs in the implementation of the environmental and social documents and to ensure compliance with the Bank's ESF.

141. **Social impacts (including safeguards).** The social risk of the project is rated as Substantial. The project is not expected to directly cause irreversible or unmanageable impacts. The ESMF includes a checklist to exclude subprojects that would cause land acquisition or physical displacement. Child and forced labor are reported to be observed among Syrian refugees and in some industries in Turkey. Since the project supports women's entrepreneurship and employment opportunities, risks and impacts related to labor and working conditions of employees hired by social enterprises will be managed with procedures included in the ESMF, with more details to be provided in the SGM, which will explicitly exclude any activities that involve child or forced labor. These principles and procedures will be consistent with Turkey's national





labor code and the Bank’s Environmental and Social Standard on Labor and Working conditions (ESS2) to avoid any potential harm and risks on child labor, forced labor, or gender-based risks. As per the Bank’s ESS2, the MoIT has drafted a Labor Management Procedure (LMP) that will apply to project workers and contracted workers under the project. The LMP includes a proposed Code of Conduct for project workers as a measure to prevent any potential risks related to gender-based violence. The LMP, which also includes proposed principles and procedures for a workers’ grievance mechanism, will be finalized and disclosed no later than 30 days after the Effective Date of the Grant Agreement.

142. The MoIT has also prepared a Stakeholder Engagement Plan, which requires intensive communication and stakeholder engagement regarding project activities. The MoIT disclosed a preliminary plan on November 8, 2019 prior to appraisal, and held consultations on the SEP before appraisal completion. The MoIT will disclose an updated Stakeholder Engagement Plan alongside other ESF instruments, which takes into consideration COVID-19 restrictions and requirements and includes summary of consultations. The MoIT, with the TDAs, will develop a targeted communications strategy, including on the eligibility criteria and subgrant selection process. To mitigate risks and to receive grievances, the MoIT and TDAs will establish a project-level GRM to address inquiries or concerns.

## V. GRIEVANCE REDRESS SERVICES

143. Communities and individuals who believe that they are adversely affected by a World Bank-supported project may submit complaints to existing project-level GRMs or the WB’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project-affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank’s attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate GRS, please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## VI. KEY RISKS

144. **The overall project risk is rated Substantial.** Although the project is being implemented locally, reducing and spreading risk across provinces with vastly different capacities and potential, the macro-political context in Turkey creates a range of uncertainties that are beyond the control of the project. The social entrepreneurship focus of the activities, while considered an appropriate vehicle for refugee and host community beneficiaries, is still new to all stakeholders.

145. **Macroeconomic risks** are rated as Substantial. Following a recession in late 2018 and early 2019, Turkey’s economy was beginning to recover before being struck by a COVID-19 pandemic-induced slowdown. The combination of adverse global and domestic conditions of uncertain duration is expected to cause a severe economic slowdown that could hit Turkey particularly hard given the country’s reliance on trade and international capital flows. Key macroeconomic risks to the project include: (i) high corporate leverage and low aggregate demand may affect firms’ ability to expand production and employment; (ii) external shocks primarily related to COVID-19 may adversely impact exchange rates and prices; and (iii) geopolitical risks, including possible sanctions, could delay economic recovery. The macroeconomic risks should be mitigated through consistent and credible macroeconomic policies, clearly communicated to investors, and implementation of ongoing corporate debt restructuring. The Bank will continue macro-



financial analysis, maintain policy dialogue with economic agencies, and continue to offer technical assistance as requested by the authorities.

146. **Political and governance risks** are rated as Substantial. At a macro-political level, Turkey's context, while generally stable, bears transitional risks due to recent changes to its constitutional and decision-making processes, the protracted Syria crisis and refugee spillover effects. While Turkey's response to hosting over five million refugees has been cited as an example of government-led support to refugees among other countries facing similar challenges, public perception within Turkey remains mixed, exacerbating tensions in some areas. As a result of the ongoing uncertainties in northern Syria, there are increased security and political challenges in areas targeted by the proposed project in southeastern Turkey, and the ongoing international debate on refugees' potential return to Syria is creating a risk of different views on donor-financing of refugee projects in Turkey. Governance risks (such as capture, conflict of interest risks) will be addressed through the fiduciary procedures and the adoption of a Good Governance framework in the POM. In order to help mitigate risks at the project level, the project will work in close cooperation with local government and non-state institutions (TDAs, local authorities, and CIPs) who are able to navigate the local political context and challenges; and the project will establish, from the outset, a communications and outreach strategy. The project also mainstreams attention to community cooperation to address potential tensions between refugee and host communities. The project will also retain a focus on economic opportunities and benefits to both refugees and hosting communities, delivered through participatory processes that promote the socioeconomic empowerment of women. A communications strategy is being developed to help address any political risks associated with the project. Communications and outreach activities will target communities and the municipalities targeted by the project.

147. **Sector strategies and policy risks**. The project will focus on the development of new, and the expansion of existing, social enterprises that provide income for social entrepreneurs and employ refugees and host community members. However, the legislative framework for social enterprises is not complete (social enterprises will be established under a range of legal options). The sector has only recently started to include refugees and this represents a relatively recent initiative that is still nascent. To mitigate these risks, the project includes legal advisory services for incubation and acceleration grants, and will provide support for social enterprise lesson learning and policy recommendations under Component 3. At the same time, the engagement of the MoIT and the TDAs in this area of private sector development will result in significant institutional support from capable Turkish institutions with a relevant mandate. The project will also provide support for the formation of business alliances in the private sector to raise awareness on responsible sourcing and to purchase goods and services from social enterprises. The risk associated with the sector policies is likely to be Moderate after risk mitigation measures are in place.

148. It is anticipated that the **technical risk** will vary considerably. Even with the geographic targeting along the Turkish-Syrian border, the project will be implemented in the context of differing local economies, differing levels of opportunity and beneficiary interest in socially-oriented businesses, and differing levels of social cohesion. The risk of temporary migration could challenge the implementation of the social enterprise model, given that these provinces are entry points to Turkey for Syrians who tend to stay for shorter periods in these areas compared to other destinations. Security risks near the border may increase and thus represent a more difficult and riskier environment for business compared to other areas. The opportunity for TDAs to adapt to the local context will help mitigate this risk. Another key area of technical risk is the interest and willingness of Turkish women to engage in the project, of which there is evidence in earlier projects. The design of Component 1 outreach and support services will be cognizant of this issue from the outset (significant awareness building and engagement effort will be carried out to explain and promote social enterprises and build demand, and this will be supported by local practical market assessments). The inclusion of Component 2, which will improve neighborhood-level livelihoods facilities, will also help tackle this risk. Assessments to be carried out in the first six months of the project, along with the field assessments of both social enterprise and social cohesion during preparation and before the completion of the POM, will help mitigate technical risk. The project design



will be flexible and enable social enterprise support services to be adapted to the context. To accommodate the most challenging circumstances, the technical risk is rated Substantial.

149. **Institutional capacity risk** for implementation is rated Moderate. The institutional capacity of the MoIT and TDAs to implement entrepreneurship support activities and distribute subgrants is high. The MoIT has excellent experience and well-qualified staff; however, there is limited experience in working with social enterprises and the project creates incremental work. The TDAs have significant experience in subgrant-making and contracting local organizations, and have highly qualified staff supporting the growth of small and medium enterprises in the local economies. The oversight mechanisms by the MoIT of the TDAs are well established. During implementation, to mitigate risks, project-financed consultants will add technical, financial, managerial, and fiduciary capacity to the MoIT. The project will provide capacity strengthening support to the MoIT on social enterprises (incubation, acceleration, technical assistance, and monitoring, etc.). It will also support the expansion of expertise in the TDAs to focus on vulnerable communities and on social enterprises. While project funds will support this, there is a Substantial sustainability risk that the capacity developed will dissipate if more grant funding for social enterprises and social enterprise support does not become available. Establishing full buy-in from the TDAs, close policy dialogue with counterparts, use of existing mechanisms and locally appropriate solutions, will all be critical to address the sustainability risk by mainstreaming the delivery of the project through existing systems and embedding the project in existing structures.

150. **Fiduciary risks** are rated Substantial. While the MoIT is highly capable and experienced in utilizing international funds and cooperating with international organizations, including EU funds, it does not have experience implementing Bank-financed projects, or with Bank procurement. There will also be extensive fiduciary responsibility delegated to five TDAs and CIPs with different capacities. Agreements with the CIPs need to reflect in detail their roles and responsibilities, and the control procedures and remedies they will be subjected to by the TDAs and MoIT. The roles and responsibilities relating to the FM of the project within the MoIT and TDAs will be defined in the POM and SGM. It is anticipated that the MoIT will appoint experts with experience on World Bank procurement and FM/disbursement procedures (with project funds), and the Bank will provide training and implementation support to the MoIT and TDAs.

151. The overall **social and environmental risk** is rated as Substantial. While intrinsic social risks of the project are moderate, contextual factors contribute to the substantial risk, where geopolitical context and existing social tensions are considered substantial. These will be mitigated through various measures built into the project design as well as in the ESMF, subproject ESMPs, SEP and POM. In addition to contextual risks, project social risks are assessed as moderate – mostly confined to community health and safety and labor risks. Child and forced labor are reported to be observed among Syrian refugees and in some industries in Turkey. This risk will be mitigated with procedures included in the ESMF, LMP (and Code of Conduct for Construction workers) with more details to be provided in the SGM which will explicitly exclude any activities which involve child and forced labor. Given that project funds under Component 2 in support of community-based livelihoods facilities will be used for small works (such as small construction on public land, retrofitting, refurbishment, and IT infrastructure), limited environmental impacts are expected. These impacts could include noise, dust, and waste management. The MoIT has drafted an ESMF, including an environmental and social management plan checklist for subprojects to manage and mitigate any environmental and social impacts. The TDAs will also adopt the ESMF as part of the SGM.

152. **Stakeholder risk** is also considered Substantial, reflecting the context, and number of beneficiaries and implementing partners. The design includes CIPs (potentially associations of international and local NGOs, chambers of commerce and universities). The MoIT has developed a draft Stakeholder Engagement Plan (SEP) that was disclosed and consulted prior to appraisal completion. The SEP will be updated as required, throughout the project implementation. In addition, the MoIT has drafted an LMP to manage any project-related labor issues. Screening and monitoring procedures for environmental and social (including labor) impacts have been drafted by the MoIT as part of the



Environmental and Social Commitment Plan. The project implementing agencies, the MoIT and project TDAs, will need capacity building on the World Bank ESF, which will be supported before and throughout implementation by the World Bank ESF team.

153. **Other risks**, including the uncertainties associated with the global environment in the aftermath of the COVID-19 pandemic pose a Substantial risk, especially as the country remains vulnerable to external shocks affecting commodity prices and construction costs, and future waves of COVID-19 could disrupt implementation. The project has already started to develop more resilient procedures for outreach to project beneficiaries, that can be employed should another emergency occur.



Results Framework

COUNTRY: Turkey

Social Entrepreneurship, Empowerment and Cohesion in Refugee and Host Communities in Turkey Project

Project Development Objectives(s)

The PDO is to improve livelihoods opportunities for women in refugee and host communities in targeted areas of Turkey

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
<b>Increased earnings for refugees and host community members</b>						
PDO 1. Percentage of beneficiaries (social entrepreneurs and employees) whose earnings have increased as a result of project interventions (Text)		0.00	50%	60%	70%	70%
PDO 2. Percentage of beneficiaries reporting that access to project-supported livelihoods facilities enables their participation in social enterprises (Text)		0.00	50%	60%	70%	70%
<b>Increased cooperation within target communities</b>						
PDO 3. Percentage of refugees and host community beneficiaries reporting that project activities have improved cooperation between refugees and host communities (Text)		0.00	10%	20%	40%	50%
<b>Increased effectiveness of project implementing agencies support for SEs and refugee-related action</b>						



Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
PDO 4. Percentage of project-supported social entrepreneurs reporting that: (a) support services; (b) subgrants, meet their needs (Text)		0.00	(a) 60% (b) 70%	(a) 65% (b) 70%	(a) 70% (b) 70%	(a) 70% (b) 70%
PDO 5. Total number of refugee and host community members supported under the project (Number)		0.00	2,500.00	8,500.00	14,500.00	19,000.00

**Intermediate Results Indicators by Components**

Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
<b>Social Entrepreneurship for Women and Youth in Refugee and Host Communities</b>						
IR 1.1 Number of beneficiaries supported by the project receiving training to incubate or accelerate SE startups (Number)		0.00	750.00	2,250.00	3,750.00	4,400.00
IR 1.2 Number of project-supported SEs: (a) incubated; (b) accelerated (Text)		0.00	(a) 600 (b) 30	(a) 1700 (b) 130	(a) 2800 (b) 230	(a) 3350 (b) 320  (of which, more than 2230 refugee beneficiary SEs)
IR 1.3 Number of refugee and host community members employed in project-funded SEs (Text)		0.00	300.00	900.00	1,500.00	2000  (of which, more than 1000 refugees employed in project-supported SEs)





Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
IR 1.4 Number of responsible business sourcing alliances established with project support (Number)		0.00	5.00	10.00	15.00	20.00
<b>Component 2: Community livelihoods-related facilities in refugee and host communities</b>						
IR 2.1 Percentage of local authorities utilizing project funds to establish livelihoods facilities requested jointly by refugees and host communities (Text)		0.00	0.00	50%	70%	90%
IR 2.2 Number of livelihood-facilities supported by the project (e.g. maker-spaces, co-worker spaces, child care facilities) that meet agreed criteria (Number)		0.00	20.00	40.00	60.00	70.00
IR 2.3 Number of refugee and host community members utilizing livelihoods facilities supported by the project (Number)		0.00	2,000.00	5,500.00	9,500.00	11,000.00
IR 2.4 Percentage of local authorities (a) producing timely feasibility plans for livelihood-related facilities, and (b) including the project-supported facility on their annual O&M budget (Text)		0.00	(a) 100% (b) 100%	(a) 100% (b) 100%	(a) 100% (b) 100%	(a) 100% (b) 100%
IR 2.5 Percentage of livelihoods facilities operated/managed by project-supported social enterprises (Text)		0.00	0.00	20.00	30.00	35.00
<b>Component 3: Institutional Capacity Strengthening and Project Management</b>						
IR 3.1 Number of MoIT, TDA and other national/local stakeholders trained in social entrepreneurship		0.00	100.00	200.00	300.00	400.00



Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
and other project functions (Number)						
IR 3.2 Development of social enterprise strategy and policy recommendations (Text)		0.00	(1) Update of analysis and mapping of ecosystem	(2) Workshops held on Turkey's ecosystem and international best practice	(3) Draft report with recommendations on policy, legal and financing framework	(4) Final report and dissemination workshops held.
IR 3.3 Number of learning and capacity building events held on project-related topics (Number)		0.00	7.00	13.00	19.00	25.00

**Monitoring & Evaluation Plan: PDO Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
PDO 1. Percentage of beneficiaries (social entrepreneurs and employees) whose earnings have increased as a result of project interventions	Measures whether the livelihood opportunities offered by the project for both social entrepreneurs and their employees have increased their earnings supported through the project (disaggregated by refugees/host community members; gender; youth, and reported by DA)	Baseline, Mid-line, End-line	Review of SE accounts	Project surveys	TDAs/MoIT
PDO 2. Percentage of beneficiaries reporting that access to project-	Beneficiary feedback measures whether the	Annual; Baseline,	Beneficiary feedback;	Interactive community scorecard; Project	TDAs/MoIT



supported livelihoods facilities enables their participation in social enterprises	support for livelihoods facilities better enables women (and youth) to engage in livelihood opportunities (disaggregated by gender and location)	Mid-line, End-line	Survey results	surveys	
PDO 3. Percentage of refugees and host community beneficiaries reporting that project activities have improved cooperation between refugees and host communities	Beneficiary feedback measure on whether project activities contribute to greater cooperation in the community (one measure of social cohesion). "Cooperation" is defined by communities in initial community meetings for Component 2. (disaggregated by refugees/host communities, location, gender, youth)	Each cycle; Baseline, Mid-Line, End-Line	Beneficiary feedback results; Survey results	Interactive community scorecard; Project surveys	TDA's/MoIT
PDO 4. Percentage of project-supported social entrepreneurs reporting that: (a) support services; (b) subgrants, meet their needs	Perception measure on whether project-supported entrepreneurs view project activities as relevant and meeting their needs (disaggregated by refugees/host communities, location and gender, youth)	Each cycle; Baseline, Mid-line, End-line	Interactive community scorecard; beneficiary survey results	Interactive community scorecard; beneficiary survey	TDA's/MoIT
PDO 5. Total number of refugee and host community members supported under the project	Measures the total number of beneficiaries of project activities under Components 1 and 2, includes SE trainees and subgrantees, employees	Annual	MIS, CIP Monitoring Reports	Review of project monitoring records	TDA's/MoIT



	and users of livelihood facilities (disaggregated by refugees/host communities, location, gender, youth)				
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**Monitoring & Evaluation Plan: Intermediate Results Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
IR 1.1 Number of beneficiaries supported by the project receiving training to incubate or accelerate SE startups	Measures the number of participants in the support services that receive SE incubation or acceleration training/coaching support for SE development. (disaggregated by refugees/host community members; gender; youth). At least 50 percent beneficiaries of training to be refugees.	Semi-annual	MIS	Review of project monitoring reports	TDA/MoIT
IR 1.2 Number of project-supported SEs: (a) incubated; (b) accelerated	Measures the number of SEs incubated or accelerated through project support (disaggregated by refugees/host community member SEs; gender; youth)	Semi-annual	MIS	Review of project monitoring reports	TDA/MoIT
IR 1.3 Number of refugee and host community members employed in project-funded SEs	Measures the number of people (in addition to the subgrantees) who join project-supported SEs to	Semi-annual; Baseline, Mid-Line,	MIS; survey results	Review of project monitoring reports; survey of SEs supported by the project	TDA/MoIT



	support their livelihoods SEs (disaggregated by gender and refugee/host community, employed and self-employed).	End-line			
IR 1.4 Number of responsible business sourcing alliances established with project support	Measures the number of companies engaged in responsible sourcing alliances developed under the project (assumes an average of 3 alliances per project TDA linked to size of allocation) (disaggregated by location)	Semi-annual	MIS	Review of project monitoring reports	TDA/MoIT
IR 2.1 Percentage of local authorities utilizing project funds to establish livelihoods facilities requested jointly by refugees and host communities	Measures whether local authorities (municipalities and Governors' offices) acted on joint community decisions for livelihoods facilities (disaggregated by location)	Semi-annual	MIS	Review of project monitoring reports	TDA/MoIT
IR 2.2 Number of livelihood-facilities supported by the project (e.g. maker-spaces, co-worker spaces, child care facilities) that meet agreed criteria	Measures the number of livelihoods facilities that meet the project ToRs (disaggregated by location)	Semi-annual	MIS	Review of project monitoring reports	TDA/MoIT
IR 2.3 Number of refugee and host community members utilizing livelihoods facilities supported by the project	Measures the number of people utilizing livelihoods facilities; includes all users of livelihoods facilities, including and beyond component 1 beneficiaries (disaggregated by gender, youth, location)	Baseline, Mid-line, End-line	Survey results	Project surveys	TDA/MoIT



IR 2.4 Percentage of local authorities (a) producing timely feasibility plans for livelihood-related facilities, and (b) including the project-supported facility on their annual O&M budget	Measures timeliness, sustainability and institutionalization of livelihoods investments by local authorities (municipalities and Governors' offices)	Semi-annual	MIS	Review of project monitoring reports	TDA/MoIT
IR 2.5 Percentage of livelihoods facilities operated/managed by project-supported social enterprises	Measures whether local authorities enable Social Enterprises to manage the facilities (e.g. kitchens, maker spaces) that the project invested in (disaggregated by location)	Semi-annual	MIS	Review of project monitoring reports	TDA/MoIT
IR 3.1 Number of MoIT, TDA and other national/local stakeholders trained in social entrepreneurship and other project functions	Measures number of learning and capacity building events as a of those planned(disaggregated by location, topic)	Semi-annual	MIS	Review of project monitoring reports	MoIT/TDAs
IR 3.2 Development of social enterprise strategy and policy recommendations	Measures level of completion of MoIT support to a social enterprise enabling framework in Turkey.	Annual	MIS	Review of project monitoring reports	MoIT/TDAs
IR 3.3 Number of learning and capacity building events held on project-related topics	Measures commitment to capacity building (disaggregated by location)	Annual	MIS	Review of project monitoring reports	MoIT/TDAs







## ANNEX 1: Implementation Arrangements and Support Plan

### IMPLEMENTATION ARRANGEMENTS

1. **Closing date.** The closing date of the project is currently December 31, 2022. This closing date is earlier than the four-year period of the European Commission funding. This is because the IBRD Trustee account into which the funds from the European Commission are disbursed currently closes on June 30, 2023, and IBRD regulations require that the project closes six months before this date. It is anticipated that when the Trustee account is extended, in consultation with the European Commission, to accommodate the four-year period of the funding, the closing date of the Project will also be extended.

#### i. Financial Management

2. **Country Issues.** The Public Financial Management and Control Law provides the financial management (FM) and accountability framework for public administrations in Turkey. The Ministry of Industry and Technology (MoIT) is listed among the Chart I institutions in the law and is thus a general budget institution. Chart I institutions do not maintain separate accounting systems. The detailed books and records for accounting are maintained by the Ministry of Finance's General Directorate of Public Accounts offices in cities and towns throughout the country.

3. **Implementing Entity.** The project will be implemented by the MoIT and selected Turkish Development Agencies (TDAs). The MoIT was established in 2018 with the mandate to determine policies on science, technology, and innovation in line with industrial, economic, social development, and national security policies and strategies. Through TDAs and other financing mechanisms, the MoIT provides financial and technical support to entrepreneurs and small and medium enterprises.

4. The MoIT will be the recipient and implementing agency of the project, delegating responsibilities for the implementation of Components 1 and 2 to five regional TDAs through subsidiary agreements. Component 3 of the project will be implemented by the MoIT through its General Directorate of Development Agencies.

5. TDAs are independent public legal entities that aim to enhance cooperation between public institutions, the private sector, and NGOs, ensure the appropriate and effective use of resources, trigger local potential in order to enhance regional competitiveness, ensure regional development, and diminish interregional and intraregional disparities. TDA budgets consist of cash transfers from the general budget by the MoIT and budget contribution payments made by municipalities and chambers of trade and industry. The FM arrangements of the TDAs are subject to the "Budget and Accounting Regulation of Development Agencies" published in the Official Gazette (No. 26303) dated September 28, 2006.

6. **Implementation Arrangements.** The MoIT's General Directorate of Development Agencies will establish a dedicated Project Implementation Unit (PIU) under the Department for the Coordination of Development Agencies for the purposes of project management and coordination, with a dedicated Project Coordinator. The PIU will be overseen by the Director General of Development Agencies and led by the Head of the Development Agencies Coordination Department.

7. The PIU will draw on the staff and capabilities of a number of MoIT departments, who will be supported by additional consultancy positions that will be defined based on the project needs and activity demands. The MoIT will ensure overall compliance with the provisions of a Project Operations Manual (POM) and a Subgrants Manual (SGM)



(as a part of the POM), which will establish the guidelines for the implementation of Components 1 and 2, as well as the implementation procedures and responsibilities for the FM and disbursement of the project funds.

8. The MoIT PIU together with the TDAs will prepare the POM and the SGM (as a part of the POM). The POM and SGM will include FM sections. The FM section of the POM will include: (i) the financial and accounting policies and procedures for the project; (ii) the organization of the FM unit, functions, staffing, and relevant job descriptions (with special emphasis on the segregation of duties) at the central and regional levels; (iii) the necessary templates for recording, monitoring, and reporting various transactions; (iv) project internal controls; (v) disbursement procedures; (vi) project budgeting, planning procedures, and financial forecasting; and (vii) project reporting. The SGM will include: (i) the roles and responsibilities of the TDAs and CIPs; (ii) the internal control mechanisms for the disbursement of subgrants; (iii) a description of the monitoring role of the TDAs; and (iv) the reporting requirements of the CIPs and TDAs, and other control mechanisms.

9. **Staffing.** The coordination and fiduciary functions will be undertaken by the MoIT PIU, which will be required to strengthen its FM function to meet the workload brought by the project. Therefore, the MoIT PIU will identify and assign FM staff for the project and assess its additional staffing needs to ensure that at least one qualified FM consultant will support MoIT during project implementation. Furthermore, the FM capacity of the TDAs will also need to be strengthened. It is foreseen that the subgrant payments under Components 1 and 2 will significantly increase the workload of the TDAs, which will need to be supported by one or more FM consultants per TDA.

10. **Budgeting.** The general budgeting procedure for the MoIT is as follows. The overall responsibility for budget preparation and monitoring lies with the Strategy Development Directorate of the MoIT. Accordingly, the investment budget of the MoIT is prepared under its coordination, which is responsible for compiling the investment proposals of the spending units and preparing the final investment budget proposal of the MoIT. The Strategy Development Directorate then sends the proposed MoIT budget to the Strategy and Budget Office of the Presidency in the third quarter of the year. The budget agreed with the Strategy and Budget Office of the Presidency is then included in the general budget and sent to the General Assembly that approves the Budget Law for the following year.

11. However, as per Article 32 of Law No. 5234, the grant funds obtained by general and special budget institutions from the EU or other international institutions are not subject to the procedures described above. These institutions are not required to budget for grant funds but they are required to keep a record of grant expenditures in a specific account designated for the project.

12. While fulfilling the above described accounting requirement for grant funds used, the MoIT will ensure that a project budget is prepared in line with the reporting requirements as per the project documents. These will include, but not be limited to, interim unaudited project financial reports, which will mainly include the sources and uses of funds for the project, where the uses will be followed up both by activity and by category on quarterly, yearly, and cumulative bases. The budget figures will be entered into the project spreadsheets, or the FM software when procured, to enable comparison with actual expenditures and monitoring of any variances. It will be the responsibility of the MoIT PIU to ensure timely preparation of the project budget in the detail explained above. The budgeting procedures will be described in the POM.

13. **Accounting.**

- **Information Systems.** The MoIT is a general budget institution. Accordingly, its accounting is maintained in the Public Information Management System in Turkish lira, in line with the chart of accounts predetermined by the Ministry of Finance. The main transactions of the project will be accounted for by the accounting officer located at



the MoIT. However, the MoIT PIU will need to maintain a separate accounting system by using spreadsheets or preferably procuring accounting and reporting software to follow up the fund flows on a cash basis in euros and to produce the data necessary to prepare regular project reports requested by the stakeholders.

- **Accounting Procedures.** The MoIT PIU will have overall responsibility for the reporting of the project as well as the documentation of project transactions. MoIT will have a designated account which will be opened at the Central Bank of Turkey or in a public bank in line with the procedures set forth in the Ministry of Finance Communique, and through the Accountancy Office of the MoIT (Saymanlik). The spending units will submit all documentation, including authorizations, acceptances, and approvals for payment, to the MoIT PIU. The MoIT PIU will prepare the payment orders/bank transfer orders for execution of payments. All payments for the project will be made from the designated account. The TDAs will have dedicated operational accounts under this designated account (DA) and will have the authority to process payments from these operational accounts. Through the operational accounts under the designated account, the TDAs will release funds to the bank accounts of beneficiaries based on confirmation received from the CIPs. There will be regular reporting by the TDAs to the MoIT. The TDAs will report back to the MoIT PIU, reconciling the payments they have made, with supporting documentation. The operational accounts will have zero balances and will only be utilized for processing payments to subgrant beneficiaries. The format and content of the reports that will be submitted by the TDAs to MoIT will be described in the POM and SGM. The procedures for the utilization of the subgrants (Part 1.B and Part 2.B of the Project) will be detailed in the SGM, the preparation and acceptance of which will be dated covenant 60 days after effectiveness.
- The MoIT PIU will be responsible for the arrangements for the disbursements from the Trust Fund account to the designated project account in line with the Disbursement and Financial Information Letter (DFIL). In addition to the accounts of the Accountancy Office, the transactions will be booked in the project accounting system in euros.

14. **Internal Control and Internal Auditing.** The MoIT has adequate internal controls over expenditures as per the Public Financial Management and Control Law. The MoIT PIU will define additional internal control procedures for the project in the POM and SGM. The MoIT PIU will minimize the risk of misuse or fraud with respect to FM by strengthening internal controls in the following ways:

- The MoIT PIU will process the payments to contractors upon receipt of the payment request letter by the spending unit, supported by the invoices and other payment documents containing all required technical approvals. It will also make sure that the payment requests are in line with the contracts.
- The MoIT PIU will release payments to project beneficiaries for small grants to be processed by the TDAs, upon receipt of payment request letters by the TDAs, supported by payment lists and other payment documents. These lists and documents will be prepared and submitted by the CIPs, and will contain all required technical and financial approvals. The CIPs and TDAs will make sure that the payment requests are in line with the contracts.
- The MoIT PIU will be responsible for making regular reconciliations of the designated accounts and the loan account at the World Bank. The reconciliation files will be supervised by the head of the PIU and signed by the FM consultant on a monthly basis.
- The assets and equipment purchased for use by the MoIT or TDAs from the project funds, if any, will be followed in a separate asset register. Annual asset counts will be performed and documented by a committee whose members are appointed by the head of the PIU.
- The MoIT PIU will ensure that regular back-ups of the FM system are made and kept in a safe place. One copy of the back-up files should be kept offsite to prevent any data losses.



15. Details of all of the above procedures, and the roles and responsibilities of the MoIT, TDAs, and CIPs will be included in the POM and SGM. Preparation, adoption, and Bank approval of the POM is an effectiveness condition; preparation, adoption, and Bank approval and MoIT adoption of the SGM will be required within 60 days of the date of effectiveness.

16. The MoIT has an Internal Audit Unit that operates on the basis of the Turkish Public Sector Internal Audit Standards, which are consistent with the International Internal Audit Standards published by the Institute of Internal Auditors. The Internal Audit Unit performs its duties based on the annual audit program that is agreed with upper management at the beginning of each calendar year. The internal auditors will include the project in their annual audit plan by mid-term review to provide qualitative information and recommendations regarding the implementation of the project.

17. **Funds Flow and Disbursement Arrangements.** The European Commission Development Fund may not be used to finance deductible value added tax (“VAT”), and hence, deductible VAT tax will be excluded from Grant financing.

18. Disbursements from the designated accounts will follow the transaction-based method, i.e. traditional Bank procedures: advances, direct payments, special commitments, and reimbursement (with full documentation and against Statements of Expenditures (SOEs)). A detailed disbursement letter explaining all procedures will be provided to the MoIT PIU prior to negotiations. The minimum application size for payments directly from the designated accounts for the issuance of special commitments, as well as the SOE limits, will be described in the disbursement letter. The ceiling of the project designated accounts for advances will also be set forth in this letter.

19. The MoIT PIU will open the designated accounts either at the Central Bank of the Republic of Turkey or a public bank included in the Public Finance Decree. All payments for the project will be made from these designated accounts. Two signatures indicated in the list of authorized signatories submitted by the MoIT will be required on the withdrawal applications from the designated accounts.

20. Each TDA will open an operational bank account, in a public commercial bank allowed as per its relevant regulation. Payments under Components 1 and 2 will flow through these operational bank accounts, which will be exclusive to the project. These accounts will only be used to facilitate payments at the local level, no funds will be deposited to these accounts and they will not carry a balance. Upon receipt of payment request letters by the TDAs, supported with invoices, payment lists, or other documents depending on the type of payment, the MoIT PIU will transfer the requested amount to the operational project account of the TDA. The TDA will then disburse the requested amount to the recipient of the payment and make sure that the operational bank account balance is zero after each transaction is complete.

21. The subgrant beneficiaries (refugees and host community members) under Subcomponent 1B will be required to open bank accounts at the same bank where the TDA has its project account. The procedures for the disbursement and management of these subgrants will be dependent on the financial capacity and controls of the selected CIPs, and the respective TDAs. Procedures will be finalized and approved by the Bank in the SGM, within 60 days of project effectiveness. Based on eligible expenditures set out in approved business plans, beneficiary payment lists prepared and submitted by the CIPs, the TDAs will send payment request letters to the MoIT PIU for the MoIT to release the funding tranches for the subgrants to the TDAs.

22. The withdrawal applications for the project accounts will be prepared and authorized by the MoIT PIU. Basically, disbursements below the thresholds indicated in the disbursement letter will be reported and reimbursed



according to certified SOEs. Full documentation in support of SOEs will be retained by the MoIT and TDAs for at least seven<sup>76</sup> years after the World Bank has received the audit report for the fiscal year in which the last withdrawal from the designated accounts was made. This information will be made available for review during supervision by Bank staff and for annual audits that will be required to specifically comment on the propriety of SOE disbursements and the quality of the associated recordkeeping.

23. **Financial Reporting and Monitoring.** The MoIT PIU will maintain records and will ensure appropriate accounting for the funds provided for the project. Financial statements for the project will be prepared by the PIU. Interim unaudited financial reports will be prepared on a quarterly basis and will be submitted to the Bank no later than 45 days after the end of the quarter.

24. The interim unaudited financial reports will include the following reports:

- Expenditure Tables per activity, including explanation of significant variances between budgeted and actual figures
- Expenditure Tables per category, including explanation of significant variances between budgeted and actual figures
- Designated Account Statements
- Contract/Grant Management Tables
- Other financial tables that may be requested by the EU or other stakeholders

25. A narrative report on the progress in each component and any variances from the planned expenditures will be added to the set of financial tables mentioned above. The interim unaudited financial report templates will be attached to the FM section of the POM.

26. **External Auditing.** As part of the Bank’s auditing requirements, the project financial statements will be subject to external auditing. The first set of audit reports will be submitted to the Bank before June 30 of the year following the calendar year in which the first disbursement from the grant has been made. The project financial statements will be audited by the Treasury Controllers in accordance with International Standards on Auditing. The Treasury Controllers are the external auditors for all EU and World Bank-financed projects implemented by ministries and government institutions under the Ministry of Treasury and Finance’s authority. Since the grant agreement for the Project will be signed directly with MoIT, MoIT will liaise with the Treasury Controllers to ensure that the Project is included in their annual audit programs throughout its implementation. The following table (Table 1.1) identifies the audit reports that will be required to be submitted by the project implementing entity and the due date for submission:

**Table 1.1: Project Audit Reports**

<b>Audit report</b>	<b>Due date</b>
Project financial statements	Within six months after the end of each calendar year and also at the closing of the project.

27. For operations for which the invitation to negotiate is issued on or after July 1, 2010, the Bank requires that the borrower disclose the audited financial statements in a manner acceptable to the Bank; following the Bank's formal receipt of these statements from the borrower, the Bank makes them available to the public in accordance with the World Bank Policy on Access to Information. Accordingly, the MoIT PIU will ensure that the reports are

<sup>76</sup> As per section 16.06 of the General Conditions between the EU and the WB.



publicly available. The Bank will also make the reports public in its own systems.

28. The **financial covenants** for the MoIT PIU throughout the implementation will be the following:

- The MoIT PIU will establish and maintain an adequate project FM system.
- The MoIT PIU will prepare the FM section of the POM.
- The MoIT PIU, together with the TDAs, will prepare the FM section of the SGM.
- The MoIT PIU will maintain at least one FM staff/consultant throughout the implementation of the project
- The TDAs will each maintain at least one FM staff/consultant throughout the implementation and payment period of the project.
- The TDAs will submit regular reports to the MoIT PIU that sufficiently reflect their operations during the quarter, in the format that will be included in the POM.
- The MoIT PIU will prepare interim unaudited financial reports for the project on a quarterly basis and submit these to the Bank no later than 45 days after the end of each quarter.
- The project financial statements will be audited by the Treasury Controllers on a TOR agreed with the Bank.
- The annual audited financial statements of the project will be provided to the Bank within six months of the end of each fiscal year.
- The audit reports will be publicly disclosed by the MoIT PIU and World Bank.

## ii. Procurement

28. **Applicable Regulations.** The World Bank “Procurement Regulations for IPF Borrowers – November 2020” (Procurement Regulations) will apply to the proposed project. A General Procurement Notice will be published on the World Bank’s external website and United Nations Development Business website immediately after the project negotiations.

29. **Anti-Corruption Guidelines.** The World Bank’s “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016 (Anti-Corruption Guidelines) will apply to the proposed project.

30. **Project Procurement Strategy for Development and Procurement Plan.** The Procurement Regulations require the Borrower to develop a Project Procurement Strategy for Development (PPSD) for the project. Since the Borrower is considered in urgent need of assistance as described under paragraph 12 of OP10.00, a simplified PPSD has been prepared by the MoIT. The PPSD describes how procurement activities support project operations for the achievement of the PDOs and deliver value for money. The PPSD is linked to the overall project implementation strategy by ensuring the proper sequencing of procurement activities. It provides information on institutional arrangements for procurement, roles and responsibilities, appropriate procurement methods, procurement due diligence, and other requirements needed for carrying out procurement. The PPSD also includes a detailed description of the procurement capacity needed by the implementing agencies for carrying out procurement with a specific focus on contract implementation management, the governance structure, and the accountability framework. In addition, the PPSD has been supported with market research and analysis, which assessed market-related risks and opportunities that will affect the preferred procurement approach to market strategy.

31. It is currently envisaged in the PPSD that five CIP consultancy contracts will be needed to support the TDAs in the project provinces, i.e. one CIP for each TDA. A market sounding by the MoIT concluded that there are a limited number of entities (around 20-30) currently working within the country in the form of NGOs, private sector firms, and





academia who could take on the role of CIP consultant in the project implementation. Considering the limited availability of suppliers in the market, the limited project implementation period, and the urgency of the services, the PPSD proposed an agile procedure for CIP selection. Thus, simultaneous international advertisement/s are foreseen to gauge the interest of entities for all CIP contracts. The firms that are determined to have the best qualifications and relevant experience, and based on their capacity and interest, will be invited to submit their technical and financial proposals under the Consultant's Qualification-based Selection method. In order to mitigate risks attributable to the perception of integrity, the PPSD proposed that the MoIT engage independent probity assurance providers to be present during the contract negotiation stages of the relevant selection processes. The PPSD analyzed the risks against the size of the proposed contracts, and the CIP procurement was positioned as "**strategic critical**" in the supply positioning matrix while the procurement for the needs assessment was positioned as "**strategic security**" (This means that it will create a high risk for the timely completion of the project implementation if the procurement is not completed on time, despite its relatively low value).

32. The PPSD confirmed that the commercial procurement practices of small firms, groups of people, and individuals in Turkey follow the general rule that they procure the least cost goods, works, and services consistent with acceptable quality requirements. The Bank provided financing to various credit line operations in Turkey in which the end users were private sector firms or individuals. All such Bank-financed credit line projects confirmed that the funds were used by the beneficiaries for the intended purposes, with due consideration of economy and efficiency. Thus, the procurement to be carried out by the beneficiaries under Subcomponent 1B of the project will be done in accordance with well-established commercial practices as stipulated in the SGM and confirmed by the relevant TDA that these practices are consistent with the Bank's Core Procurement Principles of value for money, economy, integrity, fit for purpose, efficiency, transparency, and fairness.

33. The PPSD anticipated that the procurements to be proposed by the local authorities and agreed to by the TDA/MoIT under Subcomponent 2B will be conducted by the relevant local authorities in accordance with the procurement arrangements stipulated in the SGM and/or agreed procurement plans.. Since the support programs under Subcomponent 2B are demand driven, it is not possible to determine which local authority will actually implement the subproject and what the procurement packages will be at this stage. Indicative contracts were provided in the procurement plan to illustrate the budget allocation. Once a contract package is determined by a beneficiary local authority, the relevant TDA will assess its procurement capacity and prepare an update to the project PPSD with the support of MoIT PIU, which will be submitted to the Bank for its review and approval. Furthermore, the resulting procurement plan will be submitted by the MoIT and approved by the Bank before initiating the procurement. For low-value and low-risk contracts, streamlined procurement procedures and documents will be provided in the POM/SGM.

34. The PPSD discussed that the contracting of individuals in accordance with the MoIT's personnel hiring procedures requires approvals from the Strategy and Budget Office of the Presidency and may take a long time. Therefore, the PPSD proposed to hire the individual experts required for the MoIT PIU services in accordance with the individual consultant selection procedures as specified in the Procurement Regulations. These include, but are not limited to, a Procurement Specialist, Financial Management Specialist, Environmental Specialist, Social Specialist, IT Expert, Monitoring and Evaluation Expert, Project Coordinator, and Communications Specialist.

35. The PPSD and the underlying procurement plan will be updated at least annually or as required to reflect actual project implementation needs. A procurement plan covering the first 18 months is agreed and attached as Annex 6. Given that some of the contracts are demand driven and their scope, size, and duration can only be determined after a needs analysis is conducted by either the MoIT or CIP consultants, indicative contract amounts and time schedules were given for these contracts in the procurement plan. The MoIT will prepare an update to the project PPSD for such



contracts determined after the needs analysis, and procurement plan will be updated accordingly.

36. **Procurement Tracking.** The proposed project will use Systematic Tracking of Exchanges in Procurement (STEP), a planning and tracking system that provides data on procurement activities, establishes benchmarks, monitors delays, and measures procurement performance. Procurement planning will be done and updated through STEP whenever the contract packages are identified as a result of the needs analysis as mentioned above. Only the MoIT will be given STEP access in the project portal to safeguard the confidentiality of the contract information recorded by different contracting entities. Hence, the local authority beneficiaries who are implementing subprojects under the “guided project support” (Subcomponent 2B) will share the procurement information with the relevant TDA. The TDAs will ensure and maintain that this information is forwarded to the MoIT and processed in STEP by the PIU.

37. A list of the procurements performed by the beneficiaries under Subcomponent 1B will be recorded in a format agreed by the Bank and specified in the POM, and these records will be uploaded into STEP by the MoIT at least annually but not later than the closing date of the project.

38. **Advance Procurement.** Paragraphs 5.1 and 5.2 (Advance Contracting and Retroactive Financing) of the Procurement Regulations permits a Borrower to proceed with the procurement process before the signing of the legal agreement. In such cases, if the eventual contracts are to be eligible for Bank financing, the procurement procedures, including advertising, must be consistent with Sections I, II, and III of the Procurement Regulations, which cover the Bank’s Core Procurement Principles of economy, efficiency, transparency, fairness, fit for purpose, value for money, and integrity. Accordingly, the MoIT will initiate the selection of the PIU consultants immediately after the project negotiations upon publication of the General Procurement Notice on the United Nations Development Business website.

39. **Procurement Methods and Standard Procurement Documents.** While comprehensive selection methods and use of the Bank’s Standard Procurement Documents will be applicable, due to the emergency nature of the project, flexible arrangements will be used in the project procurements. Simple selection procedures with higher thresholds will be used as specified in the approved procurement plan. Determined thresholds and selection methods will be reviewed by the Bank during project supervision and/or when the Bank decides, and will be updated as appropriate.

40. **National Procurement Arrangements.** When approaching the national market, as agreed in the procurement plan, Turkey’s national procurement procedures may be used by the MoIT and local authorities in accordance with the provisions in paragraphs 3.21-3.24; 3.31; 3.33; 5.3; 5.4; 5.5, and 5.7(a) of the Procurement Regulations. In such procurements, bidding documents agreed by the Bank in the Turkish language, which include the mandatory provisions specified in the procurement plan, will be used.

41. **Procurement Risk Assessment.** The Bank conducted a procurement assessment for the project, with a focus on the implementing agencies (the MoIT and TDAs) in terms of: (i) procurement regulatory framework and management capability; (ii) integrity and oversight; (iii) procurement process and market readiness; and (iv) procurement complexity. The MoIT is a public entity and subject to the Public Procurement Law under its regular operations, whereas the TDAs have their own procurement regulations, as they were established under Presidential Decree No. 4 and are legal entities subject to private law. While the MoIT is subject to external audit by the Court of Accounts, individual TDAs are audited by independent external auditing firms established in accordance with the legislation of the Capital Markets Board of Turkey in addition to the consolidated audit of all TDAs by the Court of Accounts. TDAs also have a procurement guidance note for procurements to be done by beneficiaries who use development funds, mostly under guided project support programs. Even though the proposed project procurements



will follow the procedures specified in the Bank’s Procurement Regulations, findings in the assessment concluded that: (i) applicable procurement policies and the regulatory system are designed broadly to meet the Bank’s Core Procurement Principles of value for money, economy, efficiency, effectiveness, integrity, transparency and fairness, and accountability; (ii) both the MoIT and TDAs have a clear system of accountability on who has control of procurement decisions, with clearly defined responsibilities and delegations of authority; (iii) there is a clear identified target market for all procurements; and (iv) both the MoIT and TDAs effectively manage contracts to ensure delivery as per the contract conditions.

42. The MOIT and TDAs have been implementing similar development projects with government financing for more than 10 years. Until 2018, they were operating under the Ministry of Development and thereafter, they were reestablished under the MoIT. In the DGDA, there are five departments with the necessary staffing. Each department prepares the technical content of the tender documents, and the Department of Administrative Services handles all the procurement activities, with the participation of members from the relevant departments on the tender committees. The DGDA does not have any experience in the procurement of Bank-financed projects and is not familiar with the Procurement Regulations. The PIU under the Development Agencies Coordination Department of the General Directorate of Development Agencies will be supported with a procurement specialist from the Department of Administrative Services. In addition, two external procurement specialists experienced in the procurement of international financing institutions, preferably in Bank procurement, will be hired as individual consultants to work for the PIU immediately after the project effectiveness.

43. The total volume of the five participating TDAs’ own procurement during the last five years was about US\$7.5 million over 1,500 contracts. The same TDAs supervised the procurement of regional development projects in the amount of US\$115 million over 3,500 contracts during the same period. In about 1% of the cases they received complaints. In three of the cases the TDAs declared misprocurement. Based on past procurement information, the five TDAs demonstrated satisfactory performance, although only one of them (Eastern Mediterranean TDA) has an experienced staff, and the others (Silkroad TDA, Karacadağ TDA, Çukurova TDA, and Tigris TDA) have delegated one staff for procurement activities. Considering that the proposed project will mean additional work for the five TDAs’ staff, and since they will continue their regular work responsibilities, it has been agreed with the MoIT that each TDA will employ an individual consultant as a project coordinator who is experienced in procurement and contract management.

44. Given the emergency nature of the project and limited implementation time, and taking into account the procurement performance and capacity of the MoIT DGDA and TDAs and their unfamiliarity with Bank procurement procedures, the overall procurement risk for the project is assessed as Substantial. The risk rating can be lowered to Moderate when the agreed actions in Table 1.2 below have been put in place. The assessment will be recorded in the Procurement Risk Assessment and Management System of the Bank.

**Table 1.2: Identified Risks and Agreed Action Plan**

Action no.	Identified risk	Mitigation measure	Responsible party	Time frame
1	The MoIT/DGDA does not have any experience in World Bank procurement procedures.	A PIU will be set up in the DGDA and 2 experienced procurement specialists will be employed.	MoIT/DGDA	TORs will be prepared by the MoIT and the positions advertised in advance before project effectiveness. Contracts will be signed immediately after project effectiveness (within the 1 <sup>st</sup> month).



Action no.	Identified risk	Mitigation measure	Responsible party	Time frame
2	Due to the demand-driven nature of the project, beneficiaries under Subcomponents 1B and 2B of the project and their capacities cannot be identified at this stage.	MoIT/DGDA and TDAs will assess the procurement capacity of the beneficiaries and identify the risks during the project implementation and propose mitigation measures in an update to the PPSD.  CIPs, as requested in their TORs, will support the MoIT/TDAs in performing the above mitigation measure.	MoIT/DGDA; TDAs; CIPs	Throughout the project.
3	TDA staff are unfamiliar with the World Bank Procurement Regulations. It may cause misinterpretation of procurement/contract provisions.	TDAs will employ staff knowledgeable in procurement and contract implementation. This staff person will be trained by PIU Procurement Specialists.	MoIT/DGDA/PIU; TDAs	Immediately after project effectiveness.
4	There are differences in procurement implementation among the implementation entities. It may create unnecessary questions from the procurement stakeholders.	Develop a POM (including an SGM).	MoIT/DGDA/PIU	Before project effectiveness.
5	The contract deliverables may not be used for the intended purposes by the beneficiaries under Subcomponent 1B and the contract values could be inflated artificially.	TDAs will confirm the reasonableness of the contract prices and quality of the deliverables; also TDAs will conduct physical reviews of the procured items to ensure that they will be used for the intended purposes.	TDAs	Throughout the project.
6	Lack of proposal/bid participation or consultants' / bidders' constraints to prepare proposals/ bids due to disruption in the supply chain as a result of COVID-19 outbreak	The MoIT/TDAs may allow electronic proposal/bid submission and closely follow the market dynamics which may require reconsideration of the procurement strategy.	MoIT/DGDA/PIU/ TDAs	Throughout the project.
7	Incomplete environmental and social safeguards studies may delay commencement of the contract implementation.	If applicable, all safeguards studies will be completed before signing of the contracts.	MoIT/DGDA/PIU	Throughout the project.
8	Misinterpretation of the Procurement Regulations and terms and conditions of the contracts could cause noncompliance and also time and cost overruns in the contract implementation.	Work closely with World Bank Procurement Specialist.	MoIT/DGDA/PIU	Throughout the project.

45. **Complaint Review.** Procurement complaints other than those covered under Annex III of the Procurement Regulations are to be handled by the MoIT in accordance with the procedures agreed by the Bank and stipulated in the POM. All procurement complaints will be recorded in the STEP complaint module by the MoIT/PIU. The complaint resolution will follow the provisions in Paragraphs 3.4 and 3.6 of Annex III of the Procurement Regulations. The



procuring entity including those beneficiaries of sub-grants under Components 2B will not proceed with the next stage/phase of the procurement process, including with awarding a contract, without satisfactory resolution of the complaint(s). Complaints will be addressed by the PIU within a reasonable time but not later than 15 business days of complaint receipt.

46. **Procurement Supervision Frequency.** The World Bank will review the procurement arrangements performed by the implementing agencies, including contract packaging, applicable procedures, and the scheduling of the procurement processes, for their conformity with the legal agreement. Procurements that did not have ex-ante due diligence by the World Bank will be subject to ex-post due diligence on a sampling basis in accordance with the procedures set forth in Paragraph 4 of Annex II of the Procurement Regulations. A post review of the procurement documents will normally be undertaken annually and/or during the World Bank’s supervision mission, or the World Bank may request to review any particular contracts at any time. In such cases, the PIU will provide the World Bank the relevant documentation for its review.

47. **Operating costs** will not be considered under procurement implementation. “Operating Costs” means reasonable incremental expenses directly incurred in respect to Project implementation, management and monitoring, including office supplies, publication of procurement notices, communications, translation and interpretation, publication fees, and other miscellaneous expenses directly associated with the Project and agreed between the Bank and the Recipient, but excluding the salaries and benefits of civil servants and the officials and employees of the Recipient.

**iii. Roles and responsibilities**

<b>Component</b>	<b>MoIT</b>	<b>Development Agencies (TDAs)</b>	<b>Local Authorities (Municipalities and Governor’s offices)</b>	<b>Community Implementing Partners (CIPs)</b>
<b>Subcomponent 1A: Support services for SE incubation and acceleration</b>	<ul style="list-style-type: none"> <li>• Selection of CIPs</li> <li>• Preparation of the relevant ToR for needs assessment and market studies</li> <li>• Planning of trainings and workshops for local stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Preparation of the community needs assessments and local market analysis.</li> <li>• FM and procurement responsibilities</li> <li>• Sign contracts with selected CIPs</li> <li>• Support and oversight of neighborhood needs and market studies</li> <li>• Receipt of local needs for trainings and workshops</li> <li>• Collation of CIP reports</li> <li>• Monitoring/procurement oversight of incubation and acceleration support services and subgrants</li> </ul>		<ul style="list-style-type: none"> <li>• Verification of community needs assessments and local market analysis.</li> <li>• Develop training plans</li> <li>• Launch of rounds of SE support services</li> <li>• Technical support services</li> <li>• Training services</li> <li>• Legal services</li> <li>• FM and procurement responsibilities</li> <li>• M&amp;E responsibilities</li> </ul>
<b>Subcomponent 1B: Subgrants for SE incubation and acceleration</b>	<ul style="list-style-type: none"> <li>• Oversight and reporting of incubation and acceleration support services and subgrants</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct agreed communications activities</li> <li>• Coordinate disbursement of subgrants to social entrepreneurs</li> </ul>		<ul style="list-style-type: none"> <li>• Manage disbursement of subgrants to social entrepreneurs</li> <li>• FM and procurement responsibilities</li> <li>• M&amp;E of subgrants</li> </ul>
<b>Subcomponent 2A: Mobilizing and capacity building</b>	<ul style="list-style-type: none"> <li>• M&amp;E responsibilities</li> </ul>		<ul style="list-style-type: none"> <li>• Cooperation and support prior to construction</li> </ul>	<ul style="list-style-type: none"> <li>• Mobilization and capacity building activities</li> </ul>



<b>Component</b>	<b>MoIT</b>	<b>Development Agencies (TDAs)</b>	<b>Local Authorities (Municipalities and Governor’s offices)</b>	<b>Community Implementing Partners (CIPs)</b>
<b>for livelihoods-related facilities for women</b>		<ul style="list-style-type: none"> <li>M&amp;E responsibilities</li> </ul>		<ul style="list-style-type: none"> <li>M&amp;E responsibilities</li> </ul>
<b>Subcomponent 2B: Subgrants for community-livelihoods-related facilities</b>	<ul style="list-style-type: none"> <li>Procurement and approval of design contracts for livelihoods facilities</li> <li>Approval of feasibility studies for livelihoods facilities</li> <li>Oversight and reporting of subgrants to municipalities</li> </ul>	<ul style="list-style-type: none"> <li>Conclude MOUs with local authorities</li> <li>FM and procurement responsibilities</li> <li>Technical support for design contracts and feasibility studies</li> <li>Disbursement of subgrants to local authorities</li> <li>Monitoring of subgrants to local authorities</li> </ul>	<ul style="list-style-type: none"> <li>Conduct feasibility studies for proposed facilities</li> <li>Procurement, contracting, construction, and supervision of livelihoods facilities (proposed by Component 1 beneficiaries)</li> </ul>	<p>Collaboration with local authorities on design and monitoring</p>
<b>Component 3: Institutional capacity strengthening and project management</b>	<ul style="list-style-type: none"> <li>Procurement and oversight of Institutional Capacity Needs Assessment and Reporting</li> <li>Organizing activities to support policy and legislation development for SEs</li> <li>Organizing capacity building activities for project partners (MoIT staff, TDAs, CIPs, national and local authorities)</li> <li>Project management and coordination</li> <li>Overall M&amp;E and reporting</li> <li>FM and procurement for Component 3 and as requested by the TDAs</li> <li>Project communications and EU visibility</li> <li>Convening of Steering Committee</li> </ul>	<ul style="list-style-type: none"> <li>Provide all regional reporting for MoIT consolidation</li> <li>Attend capacity building events organized by the MoIT</li> </ul>	<ul style="list-style-type: none"> <li>Attend capacity building events organized by the MoIT</li> </ul>	<ul style="list-style-type: none"> <li>Attend capacity building events organized by the MoIT</li> </ul>

**iv. Implementation Support Plan**

**Strategy and Approach for Implementation Support**

48. This Implementation Support Plan (ISP) for the Turkey Social Enterprise, Empowerment and Cohesion project describes how the World Bank will assist the client in achieving the project development objective. Since implementation by TDAs is new for the World Bank, and due to the current political situation and risks in the project’s





target areas, close supervision, oversight, and hands-on technical support will be critical. In particular, the ISP places emphasis on accomplishing the following objectives: (i) providing the necessary technical advice to the implementing agencies (IAs) at all levels (the MoIT, TDAs, local authorities, and CIPs) and bringing international experience and good practices to promote successful implementation; (ii) ensuring that project investments in SE development meet World Bank technical standards and contribute to the overall development of the SE sector in Turkey; (iii) providing oversight and capacity building support for the community mobilization and social cohesion activities under the project to ensure high quality and accountable community-based decision making and monitoring according to the project design; and (iv) incorporating close procurement supervision and fiduciary controls to ensure transparent and effective use of project funds in line with World Bank policies and procedures.

47. The project will be implemented over a period of four years. This ISP also includes support to the IAs prior to project effectiveness to meet capacity building and project design goals.

48. **Technical Implementation Support.** The following will be key areas of technical supervision support during project implementation. This support will be provided at all levels (MoIT, TDAs, CIPs, and local authorities):

- Engagement of *experienced specialists in social enterprise development and entrepreneurship support* during the implementation of Components 1 and 3. Since SE development is relatively new in Turkey, World Bank technical support should engage those with global experience in SE development to support both the design of the SE incubation and acceleration support program under Component 1 and to work with the MoIT under Component 3 to design and carry out capacity building and knowledge events on SE for project stakeholders, national actors, and the private sector. Technical support will also include engagement with the MoIT as it develops a strategy report on SE development in Turkey under Component 3, including bringing in experience and lessons from other countries in creating an enabling policy, legal, and financing framework for growing the SE sector.
- Engagement of *experienced community mobilization, gender, citizen engagement, and forced displacement specialists* during implementation to support the design and oversight of Component 2 participatory selection and development of livelihoods facilities and to promote the project's social cohesion goals. This will include hands-on capacity building support for the MoIT, TDAs, CIPs, and relevant local authorities on the Bank's global experience in community-driven development, social accountability and citizen engagement, gender mainstreaming, and work in forced displacement contexts. Bank support will also focus on helping the MoIT and TDAs design and monitor social cohesion outcomes of the project, drawing lessons from global experience in promoting cohesion between refugees and host communities in forced displacement contexts.
- Engagement of *experienced/relevant sectoral experts and engineers* during the implementation of Subcomponents 1B and 2B investments in SEs and livelihoods facilities. Activities will include engagement and oversight of surveys and feasibility studies, review of terms of reference and tender procedures for firms involved in any design/construction, and quality review of SE operations and livelihoods facilities investments. This will also include support for World Bank specialists to carry out random audits of SEs supported by the project, and physical checks of livelihoods facilities once completed to ensure the safety and quality of construction and adherence to labor standards, where relevant.

49. Technical implementation support will be available consistently in-country over the first year of the project with the appointment of a specialist in the Country Office. Implementation support missions will be carried out three times a year during the first 18 months of project implementation, followed by semiannual supervision missions. The project team will carry out regular site visits to the project's five TDAs and local authorities during implementation.

50. **FM Implementation Support.** This will include: (i) initial support to the IAs for development of flow of funds arrangements for the project, including for the TDAs, CIPs, and subgrants to target beneficiaries; and technical support and oversight of the IAs in detailing these procedures in the POM and SGM; (ii) desk reviews of the project's





quarterly unaudited interim financial reports as well as reviews of the project's audited annual financial statements and annual auditor's report and management letter; and (iii) onsite supervision (twice per year) to review the continuous adequacy of the project's FM and disbursement arrangements, including visits to TDAs and CIPs to review the flow of funds and FM arrangements and to monitor and manage FM risks. This will include monitoring and reviewing any agreed actions, issues identified by the auditors, randomly selected transactions, as well as other issues related to project accounting, reporting, budgeting, internal controls, and flow of funds, including in project areas.

51. **Procurement Supervision and Implementation Support.** This will include initial support to the IAs for development of procurement arrangements for the project, hands-on support in the selection of CIPs and the subgrants to target beneficiaries; and technical support and oversight of the IAs in detailing these procedures in the POM and SGM. In addition to routine reviews, procurement supervision will be carried out during the team's missions. Post review will be conducted once a year. Supervision will also include an additional procurement process review after the selection of the CIPs; the first cycles of Subcomponent 1B subgrants to social entrepreneurs; and the initial cycle of Subcomponent 2B subgrants for livelihoods facilities development. Procurement implementation support will also include training for the MoIT, TDAs, CIPs, and local authorities as relevant to involvement in procurement processes.

52. **Environmental and Social Framework Implementation Support.** Prior to effectiveness, social and environmental framework specialists will support the IAs in developing social and environmental guidelines to include in the POM, based on the environmental and social management framework, and including a negative list of subproject investment categories ineligible for financing. The social safeguards specialist will also support the IAs, including the MoIT and the TDAs, in developing a beneficiary feedback mechanism, including a grievance redress mechanism (GRM) that meets World Bank standards, and overseeing the effective implementation of the citizen engagement activities defined in the project. The team will have an experienced country consultant for just-in-time support and conduct a series of initial environmental and social framework (ESF) workshops with all five TDAs to ensure clarity on roles and responsibilities. ESF specialists will be requested to join implementation support missions envisioned for three times a year for the first 18 months and then semiannually to track compliance with ESF policy and to monitor activity under the GRM.

53. **Communications Implementation Support.** A key aspect of successful implementation will be communications regarding the project with national and community stakeholders. A Communications and Visibility Plan has been included in the PAD as Annex 5 and will be further developed and detailed in the POM. A field-based communications specialist will work as part of the World Bank team to support the IAs, including the MoIT and TDAs, in implementing the plan at the national and local levels. The Communications and Visibility Plan will also be detailed, designed, and monitored in close collaboration with the Delegation of the EU to Turkey.

54. **Community Implementing Partners.** As part of project design, CIPs, with experience in community-level action in their localities, incubation and acceleration support services, grant-making, community development, and institutional capacity building, will be contracted by the TDAs. The TDAs will develop the TORs and sign firm contracts (the procurement will be conducted by the MoIT centrally for all TDAs under World Bank procurement procedures) with CIPs to implement project activities directly with the refugee and host community beneficiaries in defined project locations. It is anticipated that there will be at least one CIP per TDA. During early supervision, technical implementation support will include working with the TDAs to design appropriate TORs for various functions for the CIPs in line with the POM, and as a basis for a competitive selection process. The selection of well-qualified CIPs will be prioritized. After the CIPs are hired, World Bank review will be required of training plans and curriculum to ensure high quality and consistent knowledge sharing on project activities, such as SE development, participatory selection and development of livelihoods facilities, citizen engagement and participatory monitoring, and measuring social



cohesion (cooperation) outcomes.

55. **Implementation Support Plan with Budget.** The ISP for the proposed project is presented in the matrices below (Tables 1.3 and 1.4), including timeline, focus, skills needed, and estimates of available resources for supervision. Supervision costs will be covered as part of a Bank-executed grant provided by the EU-FRiT Trust Fund.

Table 1.3: Implementation Support Plan

Time	Focus	Skills needed	Resource estimate
Pre-effectiveness	<ul style="list-style-type: none"> <li>Support for IAs in the development of the POM and SGM</li> <li>Support for development of CIP TORs and launch of selection processes</li> <li>Support for development of project staff TORs (MoIT and TDAs) and launch of selection processes</li> <li>Support for finalization of ESF instruments</li> <li>Workshops/trainings/capacity building support for the MoIT, TDAs, and target local authorities on SE development; community mobilization; technical design; social cohesion survey instrument and baseline; and other project focus areas</li> <li>Support for development of Communications and Visibility Plan/design of initial communications materials</li> <li>Generation of the data and application of the subgrant allocation formula for Subcomponent 2B</li> <li>Coordination with relevant international partners/other WB programs ahead of project launch</li> <li>Development of the TOR and initial meeting of the FRiT Steering Committee</li> </ul>	Technical specialists, FM, procurement and Comms	US\$200,000 (EU FRiT BETF)
Years 1 - 2	<p>Launch workshops/capacity building workshops to share lessons and experiences across TDAs and local authorities</p> <p>Technical support and supervision for:</p> <ul style="list-style-type: none"> <li>Initial startup and coordination of CIP activities; potential support/capacity building to smaller/less experienced CIPs</li> <li>Completion of market analyses and feasibility studies to inform project activities</li> <li>Initial cycles of social entrepreneurship mobilization, monitoring and evaluation, and capacity building</li> <li>Initial cycles of social entrepreneurship subgrants</li> <li>Spot checks and technical audits of social enterprises supported through the project</li> <li>Initial cycles of livelihoods facilities mobilization and capacity building</li> <li>Initial cycles of community livelihoods facilities subgrants</li> <li>Spot checks and technical audits of livelihoods facilities completed</li> <li>Development of an Institutional Capacity Needs Assessment and Action Plan to guide initial Component 3 activities</li> <li>Oversight of initial training, workshops, and lessons-learned events</li> <li>Review and inputs to community scorecard and citizen engagement mechanisms</li> </ul>	Task team	US\$325,000 annually (BETF)



Time	Focus	Skills needed	Resource estimate
	<p>FM/procurement/safeguards supervision/site visits and trainings for the MoIT, TDAs, CIPs, local authorities as relevant.</p> <p>Monitoring of results of the Communications and Visibility Plan and supporting additional communications and outreach as needed during implementation.</p>		
<b>Years 3 – 4</b>	<p>Oversight and capacity building support to IAs in implementation, including after action reviews of the POM-defined project cycle and revisions to the POM and SGM as necessary based on experience of Years 1-2.</p> <p>Technical support and supervision for:</p> <ul style="list-style-type: none"> <li>• Review of CIP activities</li> <li>• Review of SE mobilization approach and lessons to inform targeting for later rounds of SE subgrants</li> <li>• Additional cycles of social entrepreneurship mobilization, monitoring and evaluation, and capacity building</li> <li>• Additional cycles of social entrepreneurship subgrants</li> <li>• Spot checks and technical audits of social enterprises supported through the project</li> <li>• Additional cycles of livelihoods facilities mobilization and capacity building</li> <li>• Additional cycles of community livelihoods facilities subgrants</li> <li>• Spot checks and technical audits of livelihoods facilities completed</li> <li>• Monitoring of the implementation of the Institutional Capacity Needs Assessment and Action Plan under Component 3</li> <li>• Support to the MoIT in developing its strategy paper on the SE sector in Turkey to promote an enabling policy and legal framework for SE development based on project lessons</li> <li>• Oversight of training, workshops, and lessons-learned events</li> <li>• Review and inputs to community scorecard and citizen engagement mechanisms</li> </ul> <p>FM/procurement/safeguards supervision/site visits and trainings for the MoIT, TDAs, CIPs, local authorities as relevant.</p> <p>Monitoring of results of the Communications and Visibility Plan and supporting additional communications and outreach as needed during implementation. Conducting of a midterm review (in Year 3/following initial cycles of Subcomponents 1B and 2B subgrants in all target areas).</p>	Task team	US\$325,000 annually (BETF)

**Table 1.4: Skills Mix Required**

Skills needed	Number of staff weeks for 4 years	Number of trips	Location (Indicative/Initial)
Task team leader	40	12	ECA region-based staff
Co-Task team leader	30	-	ECA region-based staff
Social Enterprise specialist/country office project focal point	46	-	CO ETC
Displacement/social cohesion specialist	20	6	ECA region-based staff



<b>Skills needed</b>	<b>Number of staff weeks for 4 years</b>	<b>Number of trips</b>	<b>Location (Indicative/Initial)</b>
Social Accountability/Gender	10	2	International expert
Local Government specialist	15	-	CO consultant
Sector specialists	4	-	Field-based staff
Energy efficiency expert	4	-	Field-based staff
Environmental Safeguards specialist	12	6	HQ staff
Social Safeguards specialist	12	6	HQ staff
Social Safeguards consultant	20	-	CO consultant
M&E specialist	5	1	CO consultant
FM specialist	8	-	CO staff
Procurement specialist	12	4	CO staff
Communications specialist	10	-	CO staff



ANNEX 2: Economic and Financial Analysis

1. The economic and financial analysis conducted during preparation suggests that each of the proposed initiatives is economically viable at a discount rate of 11 percent over their 10-year expected lifetime.<sup>77</sup> Noticeably, such a conclusion is rather conservative, as each of them presents far larger economic returns in terms of indirect social benefits (described in the “Analysis of Subprojects’ Costs and Benefits” section), although at this time they are not tangible or readily quantifiable given the demand-led nature of the investments. The project’s overall economic internal rate of return (EIRR) has been calculated as **21.7 percent** over a 10-year period. The analysis employs a simplified cost-benefit methodology, where solely the direct cost and monetary value of selected benefits are compared, and the net present value (NPV) and EIRR are presented.<sup>78</sup> Implementation costs and benefits, adjusted for inflation and the country’s economic conditions, were estimated on the basis of existing empirical evidence to assess the initiatives’ economic viability.

2. Both the host and refugee communities benefiting from the project intervention face poverty and lack of economic opportunities. The main hypothesis, as set up in the PAD, is that appropriate design and implementation of various investments would significantly increase the social and economic conditions of those groups, particularly focusing on promoting female entrepreneurship, through improved economic outcomes, ideally achieved by meeting basic needs and acquiring essential services. Other expected important objectives include improved social cohesion, the lack of which is mostly driven by limited economic opportunities and unequal socioeconomic conditions.

3. The interventions assessed for the economic analysis include the subgrants and two economically viable livelihoods subprojects across different sectors, each with a positive NPV at an 11 percent discount rate and high EIRR (Table 2.1).

Table 2.1: Cost-Benefit Analysis of Selected Development Subprojects

	Subgrant	Access to childcare	Access to market
<b>Investment</b>	EUR 14,300,000	EUR 4,574,493	EUR 1,321,288
<b>NPV*</b>	EUR 7,082,978	EUR 2,700,627	EUR 1,381,138
<b>EIRR**</b>	<b>20.7%</b>	<b>23.3%</b>	<b>26.3%</b>

\*NPV with 11 percent social discount rate over a 10-year period.

\*\*Turkey's cost of capital is 19.75 percent (World Bank).

Analysis of Subprojects’ Costs and Benefits

i. Subgrants for Social Entrepreneurs Subprojects:

Expected Average Investment: EUR 14,300,000

4. The initiative aims at financing an estimated 3,400 social startups participating in a grant-related assistance program, with grants ranging from EUR 2,000-10,000, plus 320 existing social enterprises by providing them with resources in the amount of from EUR 10,000-25,000 as an acceleration channel, in the project’s target communities in Southern Turkey. In particular, approximately 2,000 beneficiaries are expected to receive less than a EUR 2,000 grant, whereas about 1,000 and 400 subgrant recipients will receive an average of EUR 5,000 and EUR 8,000, respectively. Additionally, for acceleration, approximately 250 social enterprises are expected to receive EUR 10,000 on average and 70 are expected to receive EUR 18,000 on average. Overall, the total investment is expected to amount to EUR 14,300,000. Assuming owners/entrepreneurs as sole employees of each microenterprise and a

<sup>77</sup> In accordance with World Bank guidelines on Social Discount Rate.

<sup>78</sup> Bugnion, C. 1998. “Economic Rationalization of Humanitarian Aid: Use of cost and effectiveness indicators to evaluate ECHO funded humanitarian emergencies.” European Community Humanitarian Office.



reduced wage of EUR 209.48 with a rather conservative sales turnover of EUR 400, particularly at the initiative’s early stage (first two years), the intervention is estimated to generate a total benefit of EUR 1,449,859 per year in terms of both income and corporate tax, which is projected to increase to EUR 4,192,441 at a later stage (Table 2.2).

**Table 2.2: Direct and Indirect Benefits of Social Entrepreneurship Grants Subproject**

Social Entrepreneurship Grants		
<b>Discount rate</b>	11%	<b>Indirect benefits</b> <ul style="list-style-type: none"> <li>Local communities benefit from improved <b>employment opportunities</b> as well as <b>reinvestments by social enterprises</b>.</li> <li><b>Increased supply</b> of local goods and services, with overall beneficial impact on local communities.</li> </ul>
<b>Investment</b>	EUR 14,300,000	
<b>NPV*</b>	EUR 7,082,978	
<b>EIRR**</b>	20.7%	

\*NPV with 11 percent social discount rate over a 10-year period.

\*\*Turkey's cost of capital is 19.75 percent (World Bank).

**ii. Access to Childcare Subproject:** Expected Average Investment: EUR 4,574,493

5. The access to childcare services initiative is included as part of the overall efforts to facilitate female participation in SE activities in their communities. A World Bank study<sup>79</sup> estimates the cost of accessing child care in Turkey as EUR 1,804 in capital costs and EUR 1,443 in operation and maintenance (O&M) costs per child per year, on average.<sup>80</sup> Assuming a total of 2,536 children benefit from the initiative (about 50 percent of female beneficiaries with 1.75<sup>81</sup> children per household), average capital expenditure and O&M costs amount to EUR 4,574,493 and EUR 3,658,222, respectively. In terms of benefits, the initiative is expected to generate multiple positive effects, mostly through job creation and revenues, both at the individual and business levels: EUR 1,092,836 for an estimated 1,450 new jobs together with an estimated EUR 3,680,692 from new enterprises, due to the initiative. The total benefit due to the intervention is thus estimated at EUR 4,773,528, per year, on average (Table 2.3).

**Table 2.3: Direct and Indirect Benefits of Access to Childcare Subproject**

Access to Childcare		
<b>Discount rate</b>	11%	<b>Indirect benefits</b> <ul style="list-style-type: none"> <li><b>Productive reallocation</b> of childcare time for female entrepreneurs.</li> <li>Increased <b>protection of children</b> as provided by formal institutions.</li> <li>Increased <b>children's potential</b> through dedicated training programs.</li> <li>Improved <b>social skills</b> in children due to interaction with peers. This also facilitates <b>integration</b> of communities over the long term.</li> <li>Increased <b>economic and social outcomes</b> due to mothers’ participation in the economy.</li> <li>Increased economic outcomes due to <b>higher fiscal revenues</b>.</li> </ul>
<b>Investment</b>	EUR 4,574,493	
<b>NPV*</b>	EUR 2,700,627	
<b>EIRR**</b>	23.3%	

\*NPV with 11 percent social discount rate over a 10-year period.

\*\*Turkey's cost of capital is 19.75 percent (World Bank).

**iii. Access to Market Facility Subproject:** Expected Average Investment: EUR 1,321,288

6. Investment costs per market stall, adjusted for the price index in Turkey, amount, on average, to EUR 264.

<sup>79</sup> <http://documents.worldbank.org/curated/en/114451467999711217/pdf/98884-WP-P146295-Box393198B-PUBLIC-Supply-and-Demand-for-Child-Care-Services-in-Turkey.pdf>.

<sup>80</sup> 2019 costs, inflation adjusted.

<sup>81</sup> In accordance with statistics related to both Syrian and Turkish communities in the areas of intervention.



The initiative’s proposed number of 100 market sheds (approx. 50 stalls/shed), which would bring the total number of stalls to approximately 5,000, is therefore estimated at EUR 1,321,288, on average. Considering overall overhead and O&M costs of approximately 6 percent of business sales as per an FAO report’s findings<sup>82</sup> and an average monthly sales turnover of EUR 400 per business, total estimated O&M costs of the initiative amount to EUR 1,382,400. Benefits are mostly associated with fiscal revenues, which are calculated at EUR 1,929,312 in the early stage of the project (the first two years from the initiative) and projected to up to EUR 2,000,000 afterwards, accounting for a 30 percent gross margin, a 20 percent corporate tax, and a 33 percent (one third) business survival rate over the medium to long term (Table 2.4).

**Table 2.4: Direct and Indirect Benefits of Access to Market Facility Subproject**

Access to Market Facility		
<b>Discount rate</b>	<b>11%</b>	<b>Indirect benefits</b>
<b>Investment</b>	EUR 1,321,288	<ul style="list-style-type: none"> <li>• <b>Organized</b> trade may help <b>level prices</b>, thus contributing to <b>reduced retail and wholesale prices</b>.</li> <li>• Well-defined markets (and location) can help the government <b>regulate and coordinate trade</b> with the consequence of <b>increasing revenues</b> while <b>reducing costs</b> associated with monitoring and tax collection.</li> <li>• Organized market sheds <b>reduce security risks</b> faced by isolated market stalls and, if combined with infrastructure such as improved roads, can <b>increase trade activity</b>, making both traders and consumers better off.</li> </ul>
<b>NPV*</b>	EUR 1,381,138	
<b>EIRR**</b>	<b>26.3%</b>	

\*NPV with 11 percent social discount rate over a 10-year period.

\*\*Turkey's cost of capital is 19.75 percent (World Bank).

7. A **sensitivity analysis** has been conducted to control for effects of possible variations in economic outcomes in Turkey, at the moment not predictable, on the economic feasibility of the three interventions, over the analysis’ time period. Each of the proposed initiatives – namely concession of grants for social micro-entrepreneurship combined with technical support to youth and female entrepreneurs, construction/rehabilitation of childcare facilities to facilitate female entrepreneurship participation, and access to market facilities to promote economic development – maintains both economic and financial viability, with a positive net present value at 6, 11, and 20 percent social discount rates. In conclusion, the project’s interventions remain economically viable under any possible circumstances (Table 2.5).

**Table 2.5: Sensitivity Analysis: Costs and Benefits of Selected Subprojects under Expected and Unfavorable Conditions**

	<b>Microgrant</b>	<b>Access to Childcare</b>	<b>Access to Market</b>
Investment	EUR 14,300,000	EUR 4,574,493	EUR 1,321,288
EIRR**	20.7%	23.3%	26.3%
<b>11% SDR SCENARIO (baseline)</b>			
NPV*	EUR 7,082,978	EUR 2,700,627	EUR 1,381,138
<b>6% SDR SCENARIO</b>			
NPV (6%)	EUR 13,006,252	EUR 4,590,553	EUR 2,246,614
<b>20% SDR SCENARIO</b>			
NPV (20%)	EUR 362,000	EUR 539,236	EUR 414,903

\*NPV with 11 percent social discount rate over a 10-year period.

\*\*Turkey's cost of capital 19.75 percent (World Bank).

<sup>82</sup> <http://www.fao.org/3/ab787e/ab787e03.htm>.





### ANNEX 3: Gender

1. The project will focus on closing the gender gap in access to economic opportunities for both refugee women and women from Turkish hosting communities. The project will expand economic opportunities through support for social enterprises and livelihoods facilities in project areas.

2. **Gender gap in economic opportunities for Turkish women.** For Turkish women, there is a gender gap in labor force participation and in employment opportunities. Recent figures from the Turkish Statistical Institute (2018) show that the national rate for male participation in the labor force (meaning those actively seeking employment opportunities) is 73 percent compared to 34 percent for women. For employment rates (2018, Turkstat), the gender gap is similar: only 32 percent of Turkish women of working age are employed, compared to 72 percent of Turkish men.<sup>83</sup> Further, while the share of employers compared to the total number of employed in Turkey is high (6 percent) compared to the Europe and Central Asia average (3 percent), the gender gap is particularly large: 7 percent of men are employers compared to 1 percent of women. Female-owned firms also tend to be smaller in size than those owned by men.<sup>84</sup> The low rates of entrepreneurship among Turkish women has been attributed to barriers to enter and remain in entrepreneurship activities. Such barriers include lack of skills, and social norms related to marriage and childbearing.<sup>85</sup> Another factor that limits women's access to economic opportunities is the gap in financial inclusion, which is measured in terms of access to finance and bank accounts.<sup>86</sup> Women make up the majority of the unbanked population in Turkey. In 2018, 83 percent of men had formal accounts compared to 54 percent for women.<sup>87</sup>

3. The social roles of women (and the influence of patriarchal society) can also play a strong role in determining women's decisions on labor market participation. House chores and child/elderly care are traditionally female duties that can impact entry into the labor market. Turkish women also face challenges in accessing childcare to enable work outside the home. According to a 2015 World Bank study,<sup>88</sup> the supply of childcare services in Turkey is mostly provided through public services and falls short in coverage. Only 1.2 million children are benefitting from these childcare services/centers; while more than 2.7 million children ages 3-5 years need these services.

4. **Gender gap in economic opportunities for refugee women<sup>89</sup> in Turkey.** According to UN Women survey results (2018<sup>90</sup>), 85 percent of Syrian women were unemployed in Turkey. Only 10 percent of female respondents stated that they work in a regular income-generating activity while 5 percent make their living from irregular or seasonal work. Syrian refugee women who are working are often limited to informal work opportunities with low

<sup>83</sup> Cebeci, T. 2014. *Performance of Female Employers in Turkey*. Ministry of Family and Social Policies of the Republic of Turkey and the World Bank.; Okten, K. 2014. *Female Entrepreneurship in Turkey: Patterns, Characteristics and Trends*. Ministry of Family and Social Policies of the Republic of Turkey and the World Bank.

<sup>84</sup> Cebeci, T. 2014. *Performance of Female Employers in Turkey*.; Okten, K. 2014. *Female Entrepreneurship in Turkey: Patterns, Characteristics and Trends*.

<sup>85</sup> World Bank. 2009. *Female Labor Force Participation in Turkey, Trends, Determinants and Policy Framework*. Report number 48508-TR. ; Cebeci, T. 2014. *Performance of Female Employers in Turkey*.; Kizilaslan, N., and M. Karaomer. 2015. Hatay İli Kırsalındaki Kadınların Girişimcilik Eğilimlerinin İncelenmesi (Determination of The Role of Women Entrepreneurship in The Rural of Hatay City) *Türk Tarım – Gıda Bilim ve Teknoloji Dergisi*, 3 (6): 371–379.

<sup>86</sup> World Bank. 2014. *Turkey: Promoting Gender Equity in Labor Market and Entrepreneurship*. Report No. ACS9213.

<sup>87</sup> Demirguc-Kunt, A. and L. Klapper. 2012. "Measuring Financial Inclusion. The Global Index Database". Working Paper Series 6025. The World Bank: Washington, D.C.

<sup>88</sup> World Bank. 2015. *Supply and Demand for Child Care Services in Turkey. A Mixed Methods Study*. World Bank: Washington, D.C.

<sup>89</sup> The project will target refugee women and youth, regardless of their country of origin. However, since Syrian refugees make up the overwhelming majority of the refugee population, most analysis and data focus specifically on Syrians. This annex reflects the availability of data.

<sup>90</sup> UN Women and ASAM. June 2018. *Needs Assessment of Syrian Women and Girls Under Temporary Protection Status In Turkey*.



wages, which can be equivalent to a third of the minimum wage.<sup>91</sup> As a World Bank assessment<sup>92</sup> and UN Women assessment<sup>93</sup> show, traditional gender roles and care responsibilities are important factors preventing Syrian women from working outside the home. Another contributing factor is limited channels for finding work. The same UN Women assessment finds that a large majority of the respondents (92 percent) were not informed regarding the potential of work permits for Syrians; and 41 percent of them find jobs either through other refugees or on their own. Only 1 percent were assisted by the Turkish Employment Agency.

5. The UN Women assessment also highlights the importance of the supportive role of male family members in employment activities of Syrian women, as due to cultural norms, women need the approval and encouragement of their husbands to seek job opportunities. For Syrian women, evidence also suggests that when childcare services are available within or in the vicinity of the places/centers where women attend courses or engage in economic production, the likelihood they will work increases.<sup>94</sup>

6. **Closing the gender gap.** The project aims to close the gender gap in economic opportunities through: (i) increasing women's engagement in social enterprises; and (ii) the participatory selection and establishment of livelihoods facilities to support women's employment in social enterprises. Through its support for the creation and development of social enterprises and ensuring sustainable access to livelihoods facilities that bring benefit to women from both refugee and host communities, boost local economies, and generate local employment, the project will engage refugees and host communities as economic actors – agents of their own socioeconomic inclusion in Turkey.

7. First, the project will support social enterprises; profit-making businesses that *prioritize social or environmental impact while reinvesting profit primarily in their mission and/or benefitting target social groups through employment or other activities that may increase their income.*<sup>95</sup> Social enterprises present an innovative socioeconomic opportunity that can bring about the dual benefit of jobs for refugees and host community members while focusing on local social needs and benefits. In Turkey, social enterprises have empowered marginalized groups, especially women, to engage in production-related activities and value chains and help them earn incomes. The project will provide women and youth with training, coaching, support in business development, and subgrants for women beneficiaries to startup their own businesses within the social enterprise model or expand existing women-owned social enterprises. The project will monitor whether the gender gap is decreasing through the indicators: (i) percentage of project-supported social entrepreneurs whose income has increased (disaggregated by gender; target is 70 percent of women beneficiaries have increased income; baseline is 0 percent); and (ii) number of social enterprises: (a) incubated; and (b) accelerated (targets are: (a) 3,350; and (b) 320).

8. Second, the project will support the participatory selection and establishment of livelihoods facilities that support women's participation in social enterprises and the labor force. The development and survival of the business is not only a function of business and technical skills; women will face a number of other constraints to their successful engagement in livelihoods opportunities. While the neighborhoods in the municipalities covered by the project are generally provided with basic services and infrastructure, assessments carried out during preparation revealed that other services that would support women's participation in social enterprise are either unavailable or

<sup>91</sup> Tisk & Hugo (2015). 'Türk İş Dünyasının Türkiye'deki Suriyeliler Konusunda Görüş, Beklenti ve Önerileri'. [online] Ankara: MATSA. Available at: <http://tisk.org.tr/tr/e-yayinlar/353-goc/353-goc.pdf> [Accessed 24 July. 2019].

<sup>92</sup> World Bank. 2017. *Syrians' Employment Opportunities and Challenges in Turkey*. Qualitative Assessment (unpublished).

<sup>93</sup> UN Women and ASAM. June 2018. *Needs Assessment of Syrian Women and Girls*.

<sup>94</sup> Ibid.

<sup>95</sup> British Council, 2019. *The State of Social Enterprise in Turkey*.



only partially available in most of the project locations. Such services include childcare facilities or kindergartens, access to community-based workshop facilities or maker-spaces, and access to local marketplaces. The project will therefore provide capacity building and facilitation activities for refugees and host communities to engage in participatory decision-making processes over local needs and priorities for livelihoods-related facilities and provide subgrants for establishing/renovating selected livelihoods-related facilities. The project will monitor whether the gender gap is decreasing through the indicators: (i) percentage of beneficiaries with improved access to livelihoods facilities that support social enterprises (disaggregated by gender; target is 70 percent of women with improved access; baseline is 0 percent); and (ii) number of facilities (maker-spaces, coworker spaces, childcare facilities) in target communities supporting women's livelihoods completed (number; target is 70 percent; baseline is 0).



## ANNEX 4: Beneficiary Assessment

1. The direct beneficiaries of this action are refugees (especially ESSN beneficiaries) and host community members living in project. Beneficiary dialogues were conducted during preparation. Overall, approximately 70% of target beneficiaries will be women, and 30% will be youth (male and female, ages 18-29). In total, the project will directly reach an estimated 11,000 individuals in 11 provinces: Gaziantep, Adiyaman, Kilis, Hatay, Osmaniye, Khramanmaras, Sanliurfa, Diyarbakir, Adana, Mersin, and Mardin, and will indirectly benefit 100,000 people. It will also reach staff from relevant organizations as part of the institutional strengthening activities. This annex describes the main beneficiary groups and how they are expected to benefit from project activities.

2. **Refugees.** Turkey currently hosts approximately 4 million refugees and asylum seekers. As of July 2019, approximately 3.6 million Syrians in Turkey received Temporary Protection from the Turkish state. In addition, Turkey also hosts approximately 400,000 displaced persons from Afghanistan (170,000), Iraq (142,000), Iran (39,000), Somalia (5,700), and other nationalities (11,700).<sup>96</sup>

3. The vulnerability of refugees depends on several factors. First, refugees differ in terms of income. It is difficult to clearly state the poverty rate among the approximately 4 million refugees and asylum seekers because most data sources survey only subgroups within this population, but more than 60 percent of refugees live below the poverty line.<sup>97</sup> Of the 1.5 million displaced Syrians who benefit from the Emergency Social Safety Net (ESSN) program, 76 percent are poor and another 12 percent are close to the poverty line.<sup>98</sup>

4. Location of residence also affects the vulnerability of refugees. Refugees in Istanbul and the Aegean regions are less vulnerable to poverty, lack of skills, and precarious labor income sources than the rest but show the highest vulnerability in access to education. Refugees in Anatolia show the least vulnerability to food insecurity, perhaps given the proximity to agricultural activities, but they suffer the worst access to skilled labor opportunities. Refugees in the Southeast show better access to education than the rest but suffer the highest vulnerabilities in food security and language skills.<sup>99</sup>

5. The vulnerability of refugees also depends on their protection and immigration status, which depends partly on their country of origin. Turkey is a signatory to the 1951 Convention on the Status of Refugees, but its accession instrument limits the scope of the application of the Convention to European asylum seekers.<sup>100</sup> The Law on Foreigners and International Protection regulates the rights of most displaced persons in the country. Most asylum seekers in Turkey are placed under “temporary protection” for resettlement in another country, and not as refugees that would remain in Turkey.<sup>101</sup> Temporary Protection is granted to Syrians, who then are granted certain rights but

<sup>96</sup> UNHCR. 2019. *Turkey: Key Facts and Figures July 2019*. Available at: <https://www.unhcr.org/tr/wp-content/uploads/sites/14/2019/08/7.1-UNHCR-Turkey-Key-Facts-and-Figures-August-2019-1.pdf>.

<sup>97</sup> Karasapan, O. 2018. *The Challenges in Providing Healthcare to Syrian Refugees*. Brookings Institute. Available at: <https://www.brookings.edu/blog/future-development/2018/11/15/the-challenges-in-providing-health-care-to-syrian-refugees/> and Turkish Policy Quarterly. 2019. *Pathways Towards Social Inclusion of Refugees in Turkey*. Available at: <http://turkishpolicy.com/article/955/pathways-towards-social-inclusion-of-refugees-in-turkey>.

<sup>98</sup> Cuevas, F. & Twose, A. 2019. *Turkey's Safety Net for Refugees: The Largest Humanitarian Cash Assistance Program in the World*. World Bank. Available at: <https://blogs.worldbank.org/voices/turkeys-safety-net-refugees-largest-humanitarian-cash-assistance-program-world>.

<sup>99</sup> World Bank. 2019. *Vulnerability and Protection of Refugees in Turkey: Findings from the Rollout of the Largest Humanitarian Cash Assistance Program in the World*. World Bank and World Food Programme. Available at: <https://openknowledge.worldbank.org/handle/10986/31813>.

<sup>100</sup> United States Library of Congress. 2016. *Refugee Law and Policy: Turkey*. Available at: <https://www.loc.gov/law/help/refugee-law/turkey.php>

<sup>101</sup> United States Library of Congress. 2016. *Refugee Law and Policy: Turkey*. Available at: <https://www.loc.gov/law/help/refugee->



who also have limitations. Syrians under Temporary Protection (SuTP) have the right to stay in Turkey until safe return conditions are established in Syria.<sup>102</sup> SuTP have access to social benefits and services including health and education and can enter the labor market, subject to certain conditions.<sup>103</sup>

6. Refugees who work are also better off than those who do not work. Although the data is limited, reliable data is mostly available for SuTP and especially those receiving the ESSN. In a 2018 representative survey of households receiving the ESSN, 84 percent of refugee households had at least one person who was working, but only 3 percent had a work permit. Of those that were working, 20 percent were working in unskilled services, with others working in the textile industry (19 percent), construction (12 percent), and artisanship (10 percent). Of the 18 percent of refugees that had graduated from university or high school, about 20 percent were unemployed. Twenty percent of those without any formal education were also unemployed; and overall, over half of refugees were working irregularly. Refugees that do not have a work permit earn an average of TL 1,058 per month, while those with work permits and regular work earn an average of TL 1,312 per month.<sup>104</sup>

7. In general, SuTP who have permits are less vulnerable than those that do not have them. Only a small minority of SuTP have work permits: in March 2019, only 31,185 Syrians had them.<sup>105</sup> The low number of work permits could be due to administrative and language constraints, as well as to the fact that Temporary Protection only allows refugees to work in the province where they are registered. Many of those refugees that work in Turkey do so by establishing their own businesses. Again, the more reliable numbers are for Syrian refugees: there are over 10,000 Syrian-owned businesses in Turkey. In addition, as of June 2019, there were 15,160 companies in Turkey with at least one Syrian refugee partner.<sup>106</sup>

8. Lack of knowledge of the Turkish language constrains the ability of most refugees to find work or establish businesses, and also poses problems for accessing services or otherwise interacting with the Turkish state. In general, 80 percent of refugees have beginner-level knowledge of the Turkish language, and only 3 percent of refugees speak Turkish at an advanced level. According to a representative survey of ESSN households, 60 percent of refugees cite Turkish language training as important for finding a job.<sup>107</sup>

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law/turkey.php

<sup>102</sup> World Bank. 2017. *Syrians Employment Challenges and Opportunities in Turkey*. Qualitative Assessment Report.

<sup>103</sup> Ibid.

<sup>104</sup> Turkish Red Crescent and World Food Program. 2019. *Refugees in Turkey: Livelihood Survey Findings*. Available at: [https://reliefweb.int/sites/reliefweb.int/files/resources/Refugees%20in%20Turkey\\_Livelihoods%20Survey%20Findings\\_TRC\\_WFP\\_2019.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/Refugees%20in%20Turkey_Livelihoods%20Survey%20Findings_TRC_WFP_2019.pdf)

<sup>105</sup> Ministry of Family, Labor and Social Services (MoFLSS).

<sup>106</sup> Building Markets. 2018. *Turkish-Syrian Business Partnerships: A Nascent Opportunity*. Available at: [https://buildingmarkets.org/sites/default/files/pdm\\_reports/20180612\\_syrian-turkishbusinesspartnerships\\_en\\_1.pdf](https://buildingmarkets.org/sites/default/files/pdm_reports/20180612_syrian-turkishbusinesspartnerships_en_1.pdf), retrieved June 24, 2019.

<sup>107</sup> Turkish Red Crescent and World Food Programme. 2019. op.cit.



Table 4.1: Refugee Vulnerabilities and Project Responses

<u>Vulnerabilities</u>	<u>Project Responses</u>
<ul style="list-style-type: none"> <li>• High poverty and low rates of employment</li> <li>• Location of residence</li> <li>• Protection status, work permit availability</li> <li>• Turkish language</li> </ul>	<ul style="list-style-type: none"> <li>• Direct support to social enterprise incubation and acceleration. Social enterprises are also expected to create jobs.</li> <li>• The project focuses on provinces with the highest number of refugees and highest socioeconomic need.</li> <li>• The project will support refugees to acquire legal paperwork that allow them to work or operate businesses.</li> <li>• The project will support refugees to improve their knowledge of Turkish language.</li> </ul>

9. **Host community members.** Host community members will also be beneficiaries of this project. There is less information overall on the constraints of host communities in Turkey, and in particular there is little targeted information on host communities in the 11 provinces where the project will operate. The project will address the vulnerabilities of host community members, with a focus on those vulnerabilities that have been exacerbated by the refugee crisis. This section describes those vulnerabilities.

10. One of the most noticeable impacts of the refugee crisis on host communities is the perceived increased competition for jobs.<sup>108</sup> In fact, one of the most important complaints of host communities is that refugee workers are often employed illegally, driving wages down and making it impossible for equally or more qualified host community workers to compete. Similarly, companies who employ refugee workers are seen to unfairly compete with Turkish companies because they are more likely to hire people illegally.<sup>109</sup> A 2015 World Bank report finds that informally employed Syrian refugees leads to the displacement of six Turkish workers for every 10 refugees. These impacts are felt most by women and by the least educated Turks, who are more likely to drop out of the labor market altogether.<sup>110</sup>

11. In some cities, especially those along the border with Syria, the refugee crisis has led to inflation.<sup>111</sup> Although inflation in Turkey had been on the rise before the refugee crisis, the presence of refugees has been linked to an overall increase in consumption.<sup>112</sup> Rental prices have increased in many host communities.<sup>113</sup> Services, such as education, health, and basic municipal services, have become overcrowded in host communities. Approximately 40 percent of the patients in hospitals in border areas are refugees.<sup>114</sup> Services such as garbage collection, cleaning, public transportation, and water distribution are also overstretched in these areas.<sup>115</sup>

<sup>108</sup> Center for Middle Eastern Strategic Studies. 2015. *Effects of the Syrian Refugees on Turkey*. Report No. 195. Ankara, Turkey. Available at: <https://www.files.ethz.ch/isn/187409/09012015103629.pdf>

<sup>109</sup> *ibid.*

<sup>110</sup> World Bank. 2015. "The impact of Syrians refugees on the Turkish labor market" (English). Policy research working paper; no. WPS 7402. Washington, D.C. Available at: <http://documents.worldbank.org/curated/en/505471468194980180/The-impact-of-Syrians-refugees-on-the-Turkish-labor-market>.

<sup>111</sup> Center for Middle Eastern Strategic Studies. 2015. *Effects of the Syrian Refugees on Turkey*. Report No. 195. Ankara, Turkey. Available at: <https://www.files.ethz.ch/isn/187409/09012015103629.pdf>.

<sup>112</sup> Mohyidin, R. 2018. *Media Coverage, Perception and Evidence: The Economic Impact of Syrian Refugees in Turkey*. TRT World Research Center. Istanbul, Turkey. Available at: <https://researchcentre.trtworld.com/images/files/reports/EconomicImpactSyrianRefugees.pdf>.

<sup>113</sup> Center for Middle Eastern Strategic Studies. 2015. *Effects of the Syrian Refugees on Turkey*. Report No. 195. Ankara, Turkey. Available at: <https://www.files.ethz.ch/isn/187409/09012015103629.pdf>.

<sup>114</sup> *Ibid.*

<sup>115</sup> *Ibid.*





12. The length of stay of refugees in Turkey is also contributing to social cohesion challenges.<sup>116</sup> A 2015 study by the German Marshall Fund found that 41% of respondents felt that there were too many foreigners in Turkey, and that 82 percent of these same respondents thought that immigrants had not integrated well into Turkish society.<sup>117</sup> There is also a perception that the influx of refugees has resulted in increased crime, although there is little evidence to back up this claim.<sup>118</sup>

Table 4.2: Host Community Vulnerabilities and Project Responses

<u>Main Needs and Constraints:</u>	<u>Specific Actions:</u>
<ul style="list-style-type: none"> <li>• Competition for jobs and competition from businesses employing workers informally</li> <li>• Overstretched municipal, education, and health services</li> <li>• Lack of social cohesion and perceived increase in crime</li> </ul>	<ul style="list-style-type: none"> <li>• Parity in resource allocation between refugee and host communities</li> <li>• Assistance to refugees and business owners in hiring refugees legally</li> <li>• Support for livelihoods facilities through local authorities</li> <li>• Social enterprises may address the issue of overstretched services</li> <li>• Support for joint refugee and host community decision making and other activities that can improve social cohesion</li> </ul>

13. **Women** are expected to make up between 70 and 85 percent of direct project beneficiaries. The vulnerabilities of women are described in detail in Annex 3. Caretaking responsibilities constrain women’s participation in the labor force and in entrepreneurship. For both refugee and host community women, the availability of child and elderly care is an important factor in whether or not women work. Experience shows that refugee women are more likely to attend trainings or engage in economic activity when childcare services are available as part of these activities. Other social roles and norms also matter. Household chores can take significant

Table 4.3: Refugee Vulnerabilities and Project Responses

<u>Vulnerabilities</u>	<u>Project Responses</u>
<ul style="list-style-type: none"> <li>• Reduced labor force participation</li> <li>• Lower rates of entrepreneurship</li> <li>• Caretaking responsibilities and lack of access to child, elderly, and disabled care</li> <li>• Social norms and acceptability of women’s work</li> <li>• Gender-based violence</li> </ul>	<ul style="list-style-type: none"> <li>• Specific focus on improving livelihoods of women, including by directly targeting females for social entrepreneurship incubation and acceleration.</li> <li>• Livelihoods facilities to be determined to address most important constraints, which could be child, elderly, and disabled care.</li> <li>• Social enterprises could be set up by groups of women, allowing them to work part-time and take care of other obligations.</li> <li>• Coaches and mentors will be trained to provide basic support and referrals to address any kind of constraint faced by women, with a specific focus on addressing issues such as gender-based violence.</li> </ul>

<sup>116</sup> Erdoğan, M. 2014. *Syrians in Turkey: Social Acceptance and Integration Research*. In World Food Programme. 2017. *Social Cohesion in Turkey: Refugee and Host Community Online Survey*. Available at: <https://reliefweb.int/report/turkey/social-cohesion-turkey-refugee-and-host-community-online-survey-round-1-december-2017>.

<sup>117</sup> German Marshall Fund. 2015. *Turkish Perceptions Survey*. In World Food Programme. 2017. *Social Cohesion in Turkey: Refugee and Host Community Online Survey*. Available at: <https://reliefweb.int/report/turkey/social-cohesion-turkey-refugee-and-host-community-online-survey-round-1-december-2017>.

<sup>118</sup> Center for Middle Eastern Strategic Studies. 2015. *Effects of the Syrian Refugees on Turkey*. Report No. 195. Ankara, Turkey. Available at: <https://www.files.ethz.ch/isn/187409/09012015103629.pdf>





amounts of time, preventing women from working. Family acceptance of women’s work is also important. Females are also still likely to be married young, with 15% of women ages 20-24 having been married before they were 18 and 6% of women between these ages having given birth before age 18.<sup>119</sup>

14. **Youth.** At least 30 percent of project beneficiaries will be ages 18-29. The population of Turkey is young. Overall, 15.8 percent of Turkey’s population is between the ages of 15 and 24, and another 27% are between 0 and 14 years old.<sup>120</sup> The refugee population in Turkey is also young. Data for the refugee population as a whole is difficult to find, but over 800,000 Syrian refugees are between ages 15-24.<sup>121</sup>

15. Unemployment is a problem for both refugee and Turkish youth. The rate of unemployment among youth in Turkey is 19.3%.<sup>122</sup> For Turkish youth, unemployment is a problem both for those that are skilled and those that are unskilled. In fact, higher education graduates between the ages of 20-24 are less likely to be employed than other adults.<sup>123</sup> Most youth who are employed have a primary school education (52%), with only 13 percent having higher education.<sup>124</sup> Of those youth that work, only 3 percent are self-employed and only 1 percent are employers.<sup>125</sup> Almost half of youth who work are not registered in the social security scheme in Turkey.<sup>126</sup> In urban areas, female youth are more likely to be unemployed, while in rural areas, male youth are more likely to be unemployed.<sup>127</sup> Youth in Turkey are most likely to be employed in the services sector, followed by industry and agriculture.<sup>128</sup>

**Table 4.4: Youth Vulnerabilities and Project Responses**

<u>Vulnerabilities</u>	<u>Project Responses</u>
<ul style="list-style-type: none"> <li>• Large numbers of youth</li> <li>• Unemployment among educated youth</li> <li>• Low rates of youth entrepreneurship</li> <li>• Lack of social security benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Promoting youth involvement in social entrepreneurship and as job creators</li> <li>• Opening up opportunities for skilled and educated youth as social entrepreneurs</li> <li>• Legal assistance on matters such as business registration and taxation, social security, etc.</li> </ul>

16. **Institutional beneficiaries.** The institutions that participate in this project will also benefit from project activities. While the specific constraints of these institutions are not part of this beneficiary assessment, the table below does outline some of the main issues that currently constrain these institutions and how the project will respond.

<sup>119</sup> UNICEF. 2018. *Country Profile Turkey. Key Demographic Indicators*. Available at: <https://data.unicef.org/country/tur/>.

<sup>120</sup> World Population Review. 2019. Available at: <http://worldpopulationreview.com/countries/turkey-population/>.

<sup>121</sup> UNHCR. 2019. “Turkey Fact Sheet”. Available at: <https://www.unhcr.org/tr/wp-content/uploads/sites/14/2019/08/7.2-UNHCR-Turkey-General-Fact-Sheet-July-2019-FINAL.pdf>.

<sup>122</sup> World Bank. 2018. *Country Snapshot: Turkey*. Available at: <http://pubdocs.worldbank.org/en/372961524127066297/Turkey-Snapshot-Spring2018.pdf>.

<sup>123</sup> Celik, K. 2018. *Unemployment as a Chronic Problem Facing Youth in Turkey. Research and Policy on Turkey*. Vol 3: 2. Available at: <https://www.tandfonline.com/doi/abs/10.1080/23760818.2018.1517449>.

<sup>124</sup> TUIK. 2015. in Alkan, I. 2015. “The Problematic of Youth Unemployment in Turkey.” 1 Ondokuz Mayiz University, Samsun, Turkey. Paper prepared for the EY International Congress on Economics II: Growth, Inequality and Poverty. Ankara, November 5-6, 2015. Available at: [https://www.researchgate.net/profile/Isil\\_Alkan/publication/315457742\\_THE\\_PROBLEMATIC\\_OF\\_YOUTH\\_UNEMPLOYMENT\\_IN\\_TURKEY/links/58d0e3d5aca272df6a6c533f/THE-PROBLEMATIC-OF-YOUTH-UNEMPLOYMENT-IN-TURKEY.pdf](https://www.researchgate.net/profile/Isil_Alkan/publication/315457742_THE_PROBLEMATIC_OF_YOUTH_UNEMPLOYMENT_IN_TURKEY/links/58d0e3d5aca272df6a6c533f/THE-PROBLEMATIC-OF-YOUTH-UNEMPLOYMENT-IN-TURKEY.pdf).

<sup>125</sup> TUIK. 2015c. in Alkan, I. 2015. “The Problematic of Youth Unemployment in Turkey.” 1 Ondokuz Mayiz University, Samsun, Turkey. Paper prepared for the EY International Congress on Economics II: Growth, Inequality and Poverty. Ankara, November 5-6, 2015.

<sup>126</sup> Ibid.

<sup>127</sup> Ibid.

<sup>128</sup> Celik, K. 2018. *Unemployment as a Chronic Problem Facing Youth in Turkey*.



**Table 4.5: Institutional Capacity Constraints and Project Responses**

<u>Issues to Address</u>	<u>Project Responses</u>
<ul style="list-style-type: none"> <li>• Lack of legal and financial structure for social enterprises</li> <li>• Limited knowledge of the impact of social enterprises</li> <li>• Limited support programs for the disadvantaged groups of society</li> <li>• Need to identify successful social business models</li> <li>• Need for innovative and inclusive business models that benefit both refugee and host communities</li> </ul>	<ul style="list-style-type: none"> <li>• Establish the legal definition of social enterprises and outline parameters to measure their social impact</li> <li>• Sensitization trainings for development agency staff working with disadvantaged groups from host and refugee communities</li> <li>• Strengthening business links to promote impact sourcing (responsible procurement)</li> <li>• Technical assistance for developing guidelines to monitor and evaluate social enterprise support</li> <li>• Enhance and adapt current IT systems and M&amp;E systems</li> <li>• Support for the technological infrastructure of incubators and accelerators</li> </ul>

**Table 4.6: Project District Areas by Province**

<b>Province</b>	<b>Mahalle/District Names</b>
Gaziantep	Şahinbey, Şehitkamil, Nizip, İslahiye
Adıyaman	Adıyaman (Center), Besni, Gölbaşı, Kahta
Kilis	Elbeyli, Musabeyli, Polateli, Merkez District
Hatay	Reyhanlı, Antakya, Kırıkhan, İskenderun, Altınözü
Osmaniye	Düziçi, Hasanbeyli, Bahçe, Kadirli
Kahramanmaraş	Dulkadiroğlu, Oniki Şubat, Elbistan
Şanlıurfa	Akçakale, Ceylanpınar, Suruç, Harran, Halfeti
Diyarbakır	Bağlar
Adana	Seyhan, Yüreğir, Çukurova
Mersin	Mezitli, Yenişehir, Akdeniz, Toroslar, Tarsus
Mardin	Artuklu, Kızıltepe, Midyat, Nusaybin, Ömerli



ANNEX 5: Initial Approach for Communications and Visibility

1. A project Communications and Visibility Plan will be developed by the Ministry of Industry and Technology and the Turkish Development Agencies (TDAs) for inclusion in the Project Operations Manual (POM), and the EU Delegation to Turkey will be consulted on it in advance, ahead of project launch. The following annex presents preliminary guidelines, principles, and indicative objectives/activities for communications efforts under the project.
2. The final plan will be aligned with the Communications and Visibility in EU Financed External Actions<sup>129</sup> as well as FRIT Facility Visibility Guidelines.<sup>130</sup> Communications and visibility activities under the project will be implemented in coordination with the EU Delegation in Turkey,<sup>131</sup> including visibility requirements.<sup>132</sup>
3. The final plan will take COVID-19 restrictions into consideration and activities will be adapted to the COVID-19 context accordingly.

5.1 Initial Project Communications Objectives

4. The objectives of communications activities are to: help manage expectations and mitigate against local political and governance risks; facilitate outreach and engagement of refugees and host communities in project activities; and share results and disseminate project lessons learned with key audiences for broader impact. Activities will also seek to inform and communicate to project beneficiaries and project stakeholders, the EU’s financial contribution to support refugees and host communities in Turkey.

5. **Indicative objectives and messages for each target group.** The Communications and Visibility Plan will target the following initial audiences:

Target Groups	Indicative Objectives	Messages
Potential/current social entrepreneurs	<ul style="list-style-type: none"> <li>To promote enrollment of potential beneficiaries into the acceleration and incubation social enterprise programs under the project.</li> </ul>	<p>You can strengthen your business skills, receive training and coaching support and legal advice, and be eligible for subgrants to run your own social enterprise. Learn about entrepreneurship and grant opportunities from our service points and online platforms.</p> <p>Social enterprises supported by the project will bring together refugee and host community members in pursuit of shared socioeconomic goals, which will positively impact the local economy. Along with the new jobs created, the social enterprise focus of the project will help the beneficiaries of subgrants, support services,</p>

<sup>129</sup> s://www.avrupa.info.tr/sites/default/files/2018-01/communication-visibility-requirements-

<sup>130</sup> Communications and Visibility Manual for EU External Actions Projects funded under the EU Facility for Refugees in TurkeyVisibilityGuidelines\_May2017\_FRIT\_EN\_20170605\_Final.docx <http://avrupa.info.tr/eu-funding-in-turkey/visibility-guidelines.html>.

<sup>131</sup> The EU Delegation will be informed about the events at least 10 days prior to allow for participation. Designs of all visibility materials, publications, promotional items, and videos will be submitted to the EU Delegation for review and approval before production.

<sup>132</sup> The EU-Turkey joint logo should be accompanied by the following text in English, Turkish, and Arabic (and any other language where needed). “This project is funded by the European Union”. Illustrations will be provided in the POM. The materials, items for beneficiary usage, and office supplies to be used by the partners and procured under EU funds should display the EU flag accompanied by the following text in English, Turkish, and Arabic (and any other language where needed): “Funded by the European Union.” Illustrations will be provided in the POM. The following disclaimer will be used in relevant materials: “This leaflet/brochure/video... has been produced with the financial support of the European Union. Its content is the sole responsibility of the Ministry of Industry and Technology and Turkish Development Agencies and may not reflect the views of the European Union.”



Target Groups	Indicative Objectives	Messages
<p><b>Private sector, businesses, companies, local stakeholders</b></p>	<ul style="list-style-type: none"> <li>To increase visibility, public understanding, and awareness, and foster a common understanding among social enterprises, public institutions, and the private sector regarding the purpose and approach of social enterprises.</li> <li>To advocate and raise awareness on social entrepreneurship for an enabling business environment with strategic, policy level, and future financing interventions.</li> <li>To raise awareness to support a business alliance for the economic inclusion of refugees and host communities that promotes social enterprises' services and products.</li> </ul>	<p>and livelihoods facilities find innovative solutions to pressing social issues in the host communities and broader society.</p> <p>Social entrepreneurship is a promising avenue for addressing key social and economic problems in your communities, including unemployment, social challenges, exclusion, and refugee integration. The project will benefit both host communities and refugees.</p> <p>Private sector support to social enterprises has social, economic, and financial value.</p> <p>There is significant opportunity for partnerships and business alliances with social enterprises under the project. This will also promote the sustainability of project investments.</p>
<p><b>Target municipalities</b></p>	<ul style="list-style-type: none"> <li>To carry out sensitization sessions for leadership of municipalities regarding the project approach and the livelihoods facilities that will benefit their communities.</li> <li>To consult with target municipalities throughout implementation to promote their engagement and the sustainability of investments; and to manage any risks.</li> </ul>	<p>A key motivation of the project is to unlock the potential of Syrian refugees and host communities by supporting economic empowerment and social cohesion. The project will support the development of social enterprises and ensure sustainable access to livelihoods facilities that bring benefits to women, youth, and others from both refugee and host communities, boost local economies, and generate local employment.</p> <p>Social entrepreneurship is a promising avenue for addressing key social and economic problems in your communities, including unemployment, social challenges, exclusion, and refugee integration.</p> <p>Municipal leaders have a key role to play in supporting sustainable livelihoods facilities under the project that will support social entrepreneurship and provide wider social and economic benefits to your communities (like daycare centers, markets, workshops).</p>
<p><b>Media, national authorities, and communities/general public</b></p>	<ul style="list-style-type: none"> <li>To provide awareness on the project and its impact; promoting the project as an approach to help harmonize refugees into the socioeconomic life in Turkey.</li> <li>To highlight the potential of social entrepreneurship to offer solutions for communities in Turkey to support the progress of socioeconomic development.</li> <li>To promote social enterprises to make their services or products visible for consumers and business networks.</li> </ul>	<p>Increasing access to economic opportunities is a key component of achieving protection and lasting solutions for the socioeconomic integration of refugees. Economic inclusion requires access to labor markets, finance, and/or services and facilities that would support entrepreneurs to establish income-earning businesses.</p> <p>The project will support the creation and development of social enterprises and ensure sustainable access to livelihoods facilities that bring benefits to women, youth, and others from both refugee and host communities, boost local economies, and generate local employment.</p> <p>Social enterprises supported by the project will bring together refugee and host community members in pursuit of shared socioeconomic goals, which will positively impact the local economy. Along with the new jobs created, the social enterprise focus of the project will help the beneficiaries of subgrants, support services, and livelihoods facilities find innovative solutions to</p>



Target Groups	Indicative Objectives	Messages
		pressing social issues in the host communities and broader society.

## 5.2 Indicative Communications Activities and Budget

6. The following table outlines options for possible communications and visibility activities, with an indicative budget that will be considered as the final Communications and Visibility Plan is developed for the POM.

Indicative Activity	Indicative Scope/Tools	Indicative Budget (Euro)
<b>Information campaign for outreach to potential/current social entrepreneurs</b>	<ul style="list-style-type: none"> <li>11 provinces - broad outreach to community members</li> </ul> <p><u>Indicative communication tools:</u> Brochures, posters, infographic of application process, information desks, social media posts, Whatsapp, and social media groups that are favored for communication by target beneficiaries. Local press engagement could be considered if local outreach networks do not meet the target number of applications.</p>	100,000
<b>Awareness-raising events (e.g. conferences/festivals) on social entrepreneurship, including to support the development of business alliances</b>	<ul style="list-style-type: none"> <li>5 (one event led by each TDA - to be confirmed)</li> <li>Festivals, panels, workshops, concerts to showcase the work of project beneficiaries/social entrepreneurs</li> <li>Includes video and photo documentation and dissemination of the event</li> </ul> <p><u>Indicative communication tools:</u> Outreach events with diverse activities to showcase the products or services of project beneficiaries. Outreach events will be complemented with online and offline promotion ads of the selected themes of the event. Local businesses would be a key target audience.</p>	220,000
<b>Community engagement events for livelihoods-related facilities to inform communities (refugees and host communities), local authorities and the media</b>	<ul style="list-style-type: none"> <li>11 provinces - broad outreach to community members</li> </ul> <p><u>Indicative communication tools:</u> Various community engagement events, such as opening ceremonies for completed facilities, arts and crafts workshops for children, concerts for youth, engagement activities for women.</p>	205,000
<b>Documentary series: Videos of social entrepreneurship to inform the public about the success stories of the selected enterprises in each province</b>	<ul style="list-style-type: none"> <li>11 episodes (to be confirmed) from diverse project areas</li> <li>In the final year of the project (to be confirmed)</li> </ul> <p><u>Indicative communication tools:</u> The documentary series could focus on one pilot province in each episode while showcasing the stories of women entrepreneurs (project beneficiaries) who are successful in their work. The stories of employees in the enterprises as well as livelihoods facilities could also be featured.</p>	180,000
<b>Social media purchase and visual identity</b>		10,000
<b>Recruitment of a consultant for PIU as Communications Specialist</b>		95,000
<b>TOTAL</b>		<b>805,000</b>



**ANNEX 6: Procurement Plan**

<b>Project information:</b>	Turkey, Social Entrepreneurship, Empowerment and Cohesion Project (SEECO) (P171456)
<b>Project Implementation Agency:</b>	General Directorate of Development Agencies of the MoIT
<b>Date of the Procurement Plan:</b>	January 20, 2021
<b>Period covered by this Procurement Plan:</b>	February 1, 2021 – July 30, 2022
<b>Bank’s Approval Date of the Procurement Plan:</b>	28 January 2021

**I. Preamble**

- In accordance with paragraph 5.9 of the World Bank “Procurement Regulations for IPF Borrowers - November 2020” (Procurement Regulations), the Bank’s Systematic Tracking and Exchanges in Procurement (STEP) system will be used to prepare, clear, and update the Procurement Plan and conduct all procurement transactions for the project.
- This document, along with the Procurement Plan tables in STEP constitute the Procurement Plan for the project. The following conditions apply to all procurement activities in the Procurement Plan. The other elements of the Procurement Plan as required under paragraph 4.4 of the Procurement Regulations are set forth in STEP.

**II. Goods, Works, and Non-Consulting Services**

<b>Procurement Method</b>	<b>Procurement Method Threshold</b>
<b>RFB/Open International</b>	Default Method (no procurement method threshold)
<b>RFB/Open National</b>	Goods and non-consulting services contracts valued at less than US\$2 million
	Works contracts valued at less than US\$30 million
<b>RFQ</b>	Contracts valued at less than US\$1 million
<b>Direct Contracting</b>	No threshold

**III. Selection of Consultants**

<b>Selection Method</b>	<b>Selection Method Threshold</b>
Quality and Cost-Based Selection (QCBS)	Default Method (no selection method threshold)
Least Cost Selection (LCS)	No selection method threshold
Quality-Based Selection (QBS)	No selection method threshold
Selection Based on Consultant Qualifications (CQS)	Contracts valued at less than US\$8 million
Single Source Selection of Firms (SSS)	No selection method threshold
Individual Consultants (INDV)	No selection method threshold

- The terms of reference of any audit, procurement, or legal consultants financed by the project must be sent to the Bank for its comments.



#### **IV. Special Arrangements**

4. **The Bank's Standard Procurement Documents** must be used for all contracts subject to international competitive procurement and those contracts as specified in the Procurement Plan tables in STEP.
5. **Commercial Practices:** The procurements under Subcomponent 1B of the project will be procured by the beneficiaries in accordance with their well-established commercial practices stipulated in the Subgrants Manual of the Project Operations Manual (POM) and confirmed by the Ministry of Industry and Technology (MoIT)/Turkish Development Agencies (TDAs) that these practices are consistent with the Bank's Core Procurement Principles of value for money, economy, integrity, fit for purpose, efficiency, transparency, and fairness.
6. The procurements to be proposed by the local authorities and agreed to by the TDA/MoIT under Subcomponent 2B will be conducted by the relevant local authorities in accordance with the procurement arrangements stipulated in the POM and/or agreed procurement plans.
7. A list of the procurements performed by the beneficiaries under Subcomponent 1 B and 2B of the project will be recorded in a format agreed by the Bank and specified in the POM, and these records will be uploaded into STEP by the MoIT/ Project Implementation Unit (PIU) at least annually, but not later than the closing date of the project.
8. **Review Procedure:** All procurement under the project is subject to the Bank's ex-post review unless otherwise specified in STEP. Community Implementing Partner (CIP) contracts will be subject to the Bank's ex-ante due diligence (prior) review.
9. **National Procurement Arrangements:** In accordance with paragraph 5.3 of the Procurement Regulations, when approaching the national market (as specified in the Procurement Plan tables in STEP), the country's own procurement procedures may be used.

#### **Mandatory Provisions for Procurement under Bank-Financed Contracts Subject to National Procurement Procedures**

10. The procedures to be followed for National Open Competitive Bidding will be those set forth in the Public Procurement Law of the Borrower (Law No. 4734), as amended from time to time, with the latest amendment dated December 30, 2020, notwithstanding anything to the contrary in the Borrower's Law on Public Procurement Contracts (Law No. 4735), as amended from time to time, with the latest amendment dated December 02, 2020, 2019, and subject to the following provisions:

##### **A. Eligibility**

11. Bidder eligibility will be determined as per the specifications under Section III of the Procurement Regulations; accordingly, no bidder or potential bidder will be declared ineligible for contracts financed by the Bank for reasons other than those provided in Section III of the Procurement Regulations.
12. Bidding will not be restricted to domestic bidders. There will be no restrictions in respect to eligibility to participate in bidding for contracts on the basis of the nationality of the bidder and/or the origin of goods other than those set forth in paragraph 3.23 of the Procurement Regulations. There will be no restriction of any kind on foreign bidders who wish to submit a bid.





13. Bidding will not be restricted to pre-registered firms, and foreign bidders will not be required to be registered with the local authorities as a prerequisite for submitting bids.

14. Participation will be allowed from joint ventures on the condition that such joint venture partners will be jointly and severally liable under the contract. Procuring entities must use the bidding documents agreed by the Bank.

**B. Fraud and Corruption**

15. The request for bids/request for proposals document will require that Bidders/Proposers submitting Bids/Proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the Bank’s Anti-Corruption Guidelines, including without limitation, the Bank’s right to sanction and the Bank’s inspection and audit rights.

**C. Debarment**

16. The Bank may recognize, if requested by the Borrower, exclusion from participation as a result of debarment under the national system, provided that the debarment is for offenses involving fraud and corruption, and further provided that the Bank confirms that the particular debarment procedure afforded due process, and the debarment decision is final.

17. **Procurement of secondhand goods:** Not applicable.

18. **Domestic preference** (as specified under paragraph 5.51 of the Procurement Regulations): Not applicable.

**V. Procurement Packages with Methods and Time Schedule**

Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date (excludes defects liability period)
<b>Component 2. Community Livelihoods-related Facilities in Refugee and Host Communities (to be bid by Local Authorities)</b>									
Refurbishments (repair works & goods) of the community SE centers in 3 provinces	Silkroad DA-Works-01 a,b,c...-	Works	RFQ	450,000	Post	National Open Competition	Feb 2022	Mar 2022	Sep 2022
Refurbishments (repair works & goods) of the community SE centers in 3 provinces	Eastern Mediterranean DA-Works-01 a,b,c...-	Works	RFQ	450,000	Post	National Open Competition	Feb 2022	Mar 2022	Sep 2022



Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date (excludes defects liability period)
Refurbishments (repair works & goods) of the community SE centers in 1 province	TIGRIS-RDA Works-01 a,b,c...-	Works	RFQ	150,000	Post	National Open Competition	Feb 2022	Mar 2022	Sep 2022
Refurbishments (repair works & goods) of the community SE centers in 2 provinces	Karacadag TDA- Works-01 a,b,c...-	Works	RFQ	300,000	Post	National Open Competition	Feb 2022	Mar 2022	Sep 2022
Refurbishments (repair works & goods) of the community SE centers in 2 provinces	Cukurova TDA- Works-01 a,b,c...-	Works	RFQ	300,000	Post	National Open Competition	Feb 2022	Mar 2022	Sep 2022
Community livelihoods facilities in 3 provinces (works & goods) (to be implemented under Silkroad TDA supervision)	Silkroad TDA- Works-02a,b,c...-	Works	RFQ	1,677,273	Post	National Open Competition	Feb 2022	Mar 2022	Sep 2022
Community livelihoods facilities in 3 provinces (works & goods) (to be implemented under Eastern Mediterranean TDA supervision)	Eastern Mediterranean TDA - Works-02a,b,c...	Works	RFQ	1,677,273	Post	National Open Competition	Feb 2022	Mar 2022	Sep 2022
Community livelihoods facilities in 1 province (works & goods) (to be implemented under TIGRIS TDA supervision)	TIGRIS-TDA Works-02a,b,c... -	Works	RFQ	559,091	Post	National Open Competition	Feb 2022	Mar 2022	Sep 2022



Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date (excludes defects liability period)
Community livelihoods facilities in 2 provinces (works & goods) (to be implemented under Karacadag TDA supervision)	Karacadag TDA-Works-02a,b,c...	Works	RFQ	1,118,182	Post	National Open Competition	Feb 2022	Mar 2022	Sep 2022
Community livelihoods facilities in 2 provinces (works & goods) (to be implemented under Cukurova TDA supervision)	Cukurova TDA-Works-02a,b,c...-	Works	RFQ	1,118,182	Post	National Open Competition	Feb 2022	Mar 2022	Sep 2022

\* a, b, c refers to more than one contract that will be determined during the project implementation.

**Goods; Non-consulting Services**

Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date
<b>Component 3. Institutional Capacity Strengthening and Project Management (To be bid by GDDA)</b>									
Procurement of equipment for the MoIT and TDAs	MoIT/GDDA-Go-01	Goods	RFQ	110,000	Post	Limited	Mar 2021	Apr 2021	May 2021
Procurement of Social Media and Visual Identity	MoIT/GDDA-Go-02	Goods	RFQ	10,000	Post	Limited	Mar 2021	Apr 2021	May 2021
Printing of Brochures, posters and etc.	MoIT/GDDA-Go-03	Goods	RFQ	20,000	Post	Limited	May 2021	June 2021	July 2021
Production of Infographic application process	MoIT/GDDA-Go-04	Goods	RFQ	10,000	Post	Limited	May 2021	June 2021	July 2021
Logistical and organizational services for project launch at the central level	MoIT/GDDA-NCS-01	NCS	RFQ	100,000	Post	Limited	Feb 2021	Mar 2021	Mar 2021



Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date
Logistical and organizational services for conferences/ meetings on social enterprises with private sector and other stakeholders	MoIT/GDDA-NCS-02 a,b,c...	NCS	RFQ	80,000	Post	Limited	TBD	TBD	TBD
Logistical and organizational services for trainings and workshops (capacity building trainings and other events) for MoIT and TDA staff	MoIT/GDDA-NCS-03 a,b,c...	NCS	RFQ	220,000	Post	Limited	TBD	TBD	TBD
Logistical and organizational services for completion workshops at the central level	MoIT/GDDA-NCS-04	NCS	RFQ	85,000	Post	Limited	Nov 2022	Nov 2022	Dec 2022
Logistical and organizational services for project management related meetings/ workshops	MoIT/GDDA-NCS-05 a,b,c...	NCS	RFQ	20,000	Post	Limited	TBD	TBD	TBD
Logistical and organizational services for 2021 annual evaluation meeting/workshops	MoIT/GDDA-NCS-06	NCS	RFQ	10,000	Post	Limited	Dec 2021	Jan 2022	Feb 2022
Logistical and organizational services for 2022 annual evaluation meeting/workshops	MoIT/GDDA-NCS-07	NCS	RFQ	10,000	Post	Limited	Nov 2022	Nov 2022	Dec 2022
Logistical and organizational services for awareness raising events, i.e. festivals, panels, workshops, concerts and etc. (Multiple Contracts)	MoIT/GDDA-NCS-08a, b, c....	NCS	RFQ	220,000	Post	Limited	June 2021	July 2021	Dec 2022



Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date
Logistical and organizational services for Community engagement events for livelihoods-related facilities to inform communities (Multiple Contracts)	MoIT/GDDA-NCS-09a, b, c....	NCS	RFQ	205,000	Post	Limited	Dec 2021	Jan 2022	Dec 2022
Production of video films from diverse project areas (Multiple Contracts)	MoIT/GDDA-NCS-10a, b, c....	NCS	RFQ	180,000	Post	Limited	July 2022	Aug 2022	Dec 2022
Media Management Services (Social media posts, local press engagement, information desks and etc.)	MoIT/GDDA-NCS-11	NCS	RFQ	60,000	Post	Limited	June 2021	July 2021	Dec 2022

**Consultants (Firm)**

Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date
<b>Component 1. Social Entrepreneurship for Women and Youth in Refugee and Host Communities (to be bid by GDDA)</b>									
Recruitment of a consulting firm for market / value chain assessments ( <b>to be bid by GDDA</b> )	MoIT/GDDA.CS.01	CS	CQS	175,000	Post	National Open Competition	Feb 2021	Apr 2021	Jun 2021
Recruitment of a Community Implementing Partner (CIP) for Silkroad DA (Gaziantep, Adiyaman, and Kilis provinces) (resulting contract to be signed by the respective TDA)	MoIT/GDDA.Silkroad DA.CS.01	CS	CQS	3,600,000	Prior	International Open Competition	Feb 2021	Jun 2021	Dec 2022



Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date
Recruitment of a Community Implementing Partner for Eastern Mediterranean TDA (Hatay, Osmaniye, and Kahramanmaras provinces) (resulting contract to be signed by the respective TDA)	MoIT/GDT DA. Eastern Mediterranean TDA.CS.01			3,600,000			Feb 2021	Jun 2021	Dec 2022
Recruitment of a Community Implementing Partner for Karacadag TDA (Sanliurfa and Diyarbakir provinces) (resulting contract to be signed by the respective TDA)	MoIT/GDT DA.Karacadağ TDA.CS.01			3,000,000			Feb 2021	Jun 2021	Dec 2022
Recruitment of a Community Implementing Partner for TIGRIS TDA (Mardin province) (resulting contract to be signed by the respective TDA)	MoIT/GDT DA.TIGRIS TDA.CS.01			750,000			Feb 2021	Jun 2021	Dec 2022
Recruitment of a Community Implementing Partner for Cukurova TDA (Adana and Mersin provinces) (resulting contract to be signed by the respective TDA)	MoIT/GDT DA.Cukurova DA CS.01			2,200,000			Feb 2021	Jun 2021	Dec 2022
<b>Component 2. Community Livelihoods-related Facilities in Refugee and Host Communities (to be bid by GDDA)</b>									
Recruitment of consulting firm for design and supervision of the community SE centers in 5 TDAs	MoIT/GD DA.CS.02	CS	CQS	150,000	Post	National Open Competition	Sep 2021	Nov 2021	Sep 2022



Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date
Recruitment of consulting firm for design and supervision of livelihoods facilities refurbishment (to be fulfilled under Silkroad DA supervision) (resulting contract to be signed by the respective TDA)	Silkroad TDA.CS.01	CS	CQS	136,364	Post	National Open Competition	Sep 2021	Nov 2021	Sep 2022
Recruitment of consulting firm for design and supervision of project livelihoods facilities refurbishment (to be fulfilled under Eastern Mediterranean TDA supervision) (resulting contract to be signed by the respective TDA)	Eastern Mediterranean TDA.CS.01			136,364	Post		Sep 2021	Nov 2021	Sep 2022
Recruitment of consulting firm for design and supervision of project livelihoods facilities refurbishment (to be fulfilled under TIGRIS TDA supervision) (resulting contract to be signed by the respective TDA)	TIGRIS TDA.CS.01			45,455	Post		Sep 2021	Nov 2021	Sep 2022





Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date
Recruitment of consulting firm for design and supervision of project livelihoods facilities refurbishment (to be fulfilled under Karacadag TDA supervision) (resulting contract to be signed by the respective TDA)	Karacadag TDA.CS.01			90,909	Post		Sep 2021	Nov 2021	Sep 2022
Recruitment of consulting firm for design and supervision of project livelihoods facilities refurbishment (to be fulfilled under Cukurova TDA supervision), (resulting contract to be signed by the respective TDA)	Cukurova TDA.CS.01			90,909	Post		Sep 2021	Nov 2021	Sep 2022
<b>Component 3. Institutional Capacity Strengthening and Project Management (to be bid by GDDA)</b>									
Recruitment of a consulting firm for Institutional Capacity Needs Assessment and Reporting	MoIT/GD DA.CS.03	CS	CQS	78,000	Post	National Open Competition	Jul 2021	Sep 2021	Jan 2022
Recruitment of a consulting firm for support for policy and legislation development for SEs	MoIT/GD DA.CS.04	CS	CQS	85,000	Post	National Open Competition	TBD	TBD	TBD
Recruitment of a consulting firm for development of MIS and system support	MoIT/GD DA.CS.05	CS	CQS	180,000	Post	National Open Competition	Feb 2021	Apr 2021	Oct 2021
Recruitment of a consulting firm for annual surveys and reports (2 surveys/year) (TBA)	MoIT/GD DA.CS.06	CS	CQS	280,000	Post	National Open Competition	Mar 2021	May 2021	Dec 2022



Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date
Recruitment of a consulting firm for preparation of mid-term and completion reports (external evaluations)	MoIT/GD DA.CS.07	CS	CQS	120,000	Post	National Open Competition	Oct 2021	Dec 2021	Dec 2022
Recruitment of a consulting firm to carry out beneficiary dialogues and monitoring	MoIT/GD DA.CS.08	CS	CQS	240,000	Post	National Open Competition	TBD	TBD	TBD

### Consultants (Individual)

Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date
<b>Component 3. Institutional Capacity Strengthening and Project Management (to be bid by GDDA)</b>									
Recruitment of a consultant for MoIT/GDDA PIU as Project Coordinator	MoIT/GDDA.I NDV-PIU.01	CS	INDV	172,800	Post	National Open Competition	Feb 2021	Mar 2021	Dec 2022
Recruitment of a consultant for MoIT/GDDA PIU as Financial Management and Disbursement Expert	MoIT/GDDA.I NDV-PIU.02	CS	INDV	115,200	Post	National Open Competition	Feb 2021	Mar 2021	Dec 2022
Recruitment of a consultant for MoIT/GDDA PIU as Financial Management and Disbursement Expert	MoIT/GDDA.I NDV-PIU.03	CS	INDV	96,000	Post	National Open Competition	Feb 2021	Mar 2021	Dec 2022
Recruitment of a consultant for MoIT/GDDA PIU as Environmental Consultant	MoIT/GDDA.I NDV-PIU.04	CS	INDV	105,600	Post	National Open Competition	Feb 2021	Mar 2021	Dec 2022



Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date
Recruitment of a consultant for MoIT/GDDA PIU as Social Consultant	MoIT/GDDA.I NDV-PIU.05	CS	INDV	105,600	Post	National Open Competition	Feb 2021	Mar 2021	Dec 2022
Recruitment of a consultant for MoIT/GDDA PIU as Procurement Consultant	MoIT/GDDA.I NDV-PIU.06	CS	INDV	115,200	Post	National Open Competition	Feb 2021	Mar 2021	Dec 2022
Recruitment of a consultant for MoIT/GDDA PIU as Procurement Consultant	MoIT/GDDA.I NDV-PIU.07	CS	INDV	115,200	Post	National Open Competition	Feb 2021	Mar 2021	Dec 2022
Recruitment of a consultant for MoIT/GDDA PIU as IT expert	MoIT/GDDA.I NDV-PIU.08	CS	INDV	144,000	Post	National Open Competition	Feb 2021	Mar 2021	Dec 2022
Recruitment of a consultant for MoIT/GDDA PIU as M&E specialist	MoIT/GDDA.I NDV-PIU.09	CS	INDV	86,400	Post	National Open Competition	Feb 2021	Mar 2021	Dec 2022
Recruitment of a consultant for MoIT/GDDA PIU as Project Assistant	MoIT/GDDA.I NDV-PIU.10	CS	INDV	86,400	Post	National Open Competition	Feb 2021	Mar 2021	Dec 2022
Recruitment of a consultant for MoIT/GDDA PIU as Communications Specialist	MoIT/GDDA.I NDV-PIU.11	CS	INDV	96,000	Post	National Open Competition	Feb 2021	Mar 2021	Dec 2022
Recruitment of a SE Expert	MoIT/GDDA.I NDV-PIU.12	CS	INDV	115,200	Post	National Open Competition	Feb 2021	Mar 2021	Dec 2022
Recruitment of Probity Assurance Provider/s	MoIT/GDDA.I NDV-PIU.13a, b, c....	CS	INDV	10,000	Prior	National Limited	Apr 2021	May 2021	Jun 2021



Contract Description	Reference No.	Proc. Category	Procurement Method	Estimated Contract Amount (Euro)	Review Method	Market Approach	Estimated procurement Notice/ Invitation Date	Estimated Contract Signing Date	Estimated Contract Completion Date
Recruitment of other consultants for GDDA PIU & Recruitment of project coordinator, FM consultant, and other consultants for TDAs	MoIT/GDDA.I NDV-PIU.14a, b,c..	CS	INDV	148,400	Post	National Open Competition	TBD	TBD	TBD

**NOTES:**

The works procurements by the local authorities in Subcomponent 2B is indicative and will be finalized during project implementation.

NCS: Non-consulting Services

CS: Consultancy Services

RFQ: Request for Quotation

CQS: Consultant's Qualification-based Selection

INDV: Individual Consultant Selection

TBD: To be determined



ANNEX 7: Map

Target Provinces

