

**Action Document for EU Trust Fund**  
**to be used for the decisions of the Operational Board**

**1. IDENTIFICATION**

<b>Title/Number</b>	<b>Enhanced resilience for Syrians under temporary protection and host communities in Turkey</b>	
	<b>Facility/Trust Fund priority areas:</b> Socio-Economic Support and Municipal Infrastructure	
<b>Total cost</b>	<b>Total estimated cost:</b> EUR 105,000,000	
	<b>Total amount drawn from the Trust Fund:</b> EUR 105,000,000	
<b>Aid method / Method of implementation</b>	<b>Project Approach:</b> Indirect management - Delegation Agreement Direct management - Grant	
<b>DAC-code</b>	<b>43010</b>	<b>Multisector aid</b>
	(includes: 16020 11120 232 14050 15133)	(includes: Employment policy Education facilities and training Energy generation, renewable sources Waste management / disposal Fire and rescue services)

**2. RATIONALE AND CONTEXT**

**2.1. Summary of the Action and its objectives**

The EU Regional Trust Fund in response to the Syrian crisis (Madad Fund) defines its overall Objective as *to provide a coherent and reinforced aid response to the Syrian crisis on a regional scale, responding primarily to the needs of refugees from Syria in neighbouring countries, as well as of the communities hosting the refugees and their administrations, in particular as regards resilience and early recovery*".

In addition, the Facility for Refugees in Turkey (Facility), with a total commitment of EUR 3 billion for 2016 and 2017, provides for a joint coordination mechanism, designed to ensure that the needs of refugees and host communities in Turkey are addressed in a comprehensive and coordinated manner. As defined by the Facility Steering Committee on 12 May 2016, the Facility focuses on six main priorities for support, humanitarian assistance, education, migration management, health, municipal infrastructure, and socio-economic support. The Action corresponds to the priority areas *socio-economic support* and *municipal infrastructure*.

The Action will contribute to Madad Fund Specific Objective 3 *to mitigate the destabilising effects of the refugee crisis*, and will report towards 3.1, 3.2 and 3.3 of the current Result Framework<sup>1</sup>.

<sup>1</sup> [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eutf\\_madad\\_results\\_framework.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eutf_madad_results_framework.pdf)

In line with the '*Strategic orientation document for the European Union Regional Trust Fund in response to the Syrian crisis*', the **Overall Objective** of the proposed Action is to strengthen the economic and social resilience of Syrians under Temporary Protection (SuTP)<sup>2</sup>.

The action will also include vulnerable host community members, support for municipalities and institutions in provinces most affected by the presence of SuTP or have the potential to absorb an additional Syrian labour force to strengthen the recover from the impact of displacement.

The **Specific Objectives** are to

- To enhance the economic and social empowerment of SuTP to become an asset for the local economy and economic growth potential;
- To improve and secure the living conditions of SuTP and the population in host communities in Turkey.

## 2.2. Context

### 2.2.1. Country context

Currently, Turkey is hosting more than 3 million Syrian refugees<sup>3</sup> which make it the host country with the largest refugee population in the world. As of 13 April 2017, the number of Syrians registered in Turkey was 2.978.995<sup>4</sup>. 91.4% of SuTP in Turkey live amongst Turkish host communities (out of camps) all over Turkey, and particularly in the south and south-eastern region of Turkey.

According to data released by the Government of Turkey's Directorate General for Migration Management (DGMM) of 30 March 2017, the number of Syrians is over 100.000 in Adana, Mersin, Kilis, İzmir, and Bursa provinces, and over 300.000 in İstanbul, Şanlıurfa, Hatay and Gaziantep. The proportion of Syrian population living in the mentioned provinces compared to the Turkish population is more than 20% in Hatay and Şanlıurfa provinces, and nearly 17% in Gaziantep. Kilis with a proportion of 95% has an exceptional situation because it is hosting refugees almost as much as its original population.

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<sup>2</sup> "Temporary protection" is given *prima facie* to Syrian nationals and Stateless Palestinians originating from Syria and are referred to as Syrians under Temporary Protection (SuTP).

<sup>3</sup> Since Turkey maintained the 'geographical limitation' when it ratified the 1967 Protocol Relating to the Status of Refugees, the Syrian Refugees referred to in this document shall be understood as Syrians under Temporary Protection as stipulated in the Law on Foreigners and International Protection.

<sup>4</sup> Directorate General for Migration Management (DGMM) data from 13 April 2017

**Table 1**

Municipality	Provincial population	Syrian refugees displaced in municipality territory	Ratio refugees / population	TPCs located in municipality territory
Kilis	130.825	124.481	95,15%	Yes
Hatay	1.555.165	384.024	24,69%	Yes
Şanlıurfa	1.940.627	420.532	21,67%	Yes
Gaziantep	1.974.244	329.670	16,70%	Yes
Mardin	796.237	94.346	11,85%	Yes
Osmaniye	522.175	43.773	8,38%	Yes
Mersin	1.773.852	146.931	8,28%	
Kahramanmaraş	1.112.634	90.199	8,11%	Yes
Adana	2.201.670	150.795	6,85%	Yes
Kayseri	1.358.980	58.938	4,34%	
Adiyaman	610.484	25.631	4,20%	Yes
Batman	576.899	19.706	3,42%	
Malatya	772.904	18.006	2%	Yes

Table 1 shows that the population of Syrian refugees in areas where this action will be implemented is 1.907.032, corresponding to 64% of the total number of SuTP in Turkey.

Turkey is a high-middle income country with existing capacities to provide public and municipal services to its host communities. However, the increase in population mainly due to SuTP into Turkey within a relatively short period of time, has disproportionality increased the demand for public utilities (electricity, waste management, water, etc.) as well as jobs in a number of host communities.

### 2.2.2. Sector context

About 9% of SuTPs live in 26 refugee camps called Temporary Protection Centres (TPCs)<sup>5</sup> located in the south and south-eastern regions of Turkey. TPCs include Temporary Education Centres, early childhood education centres, supermarkets, health centres, psycho-social support centres, sport fields and administrative buildings. TPCs are made up of both tents and containers, with the TPCs made up tents being renovated to containers. Each container includes 2 electrical heaters, oven, refrigerator, washing machine, fan and hot water boiler. The expenditures for construction, management and electricity consumption in TPCs has put a great burden on the Turkish government's budget.

The arrival of Syrians, especially to the south and southeast regions in Turkey, exacerbated the already weak public provisions of healthcare, education and utilities. As a result, locals in those regions felt the public service shortcoming which in return is increasing the social tension between the two communities.

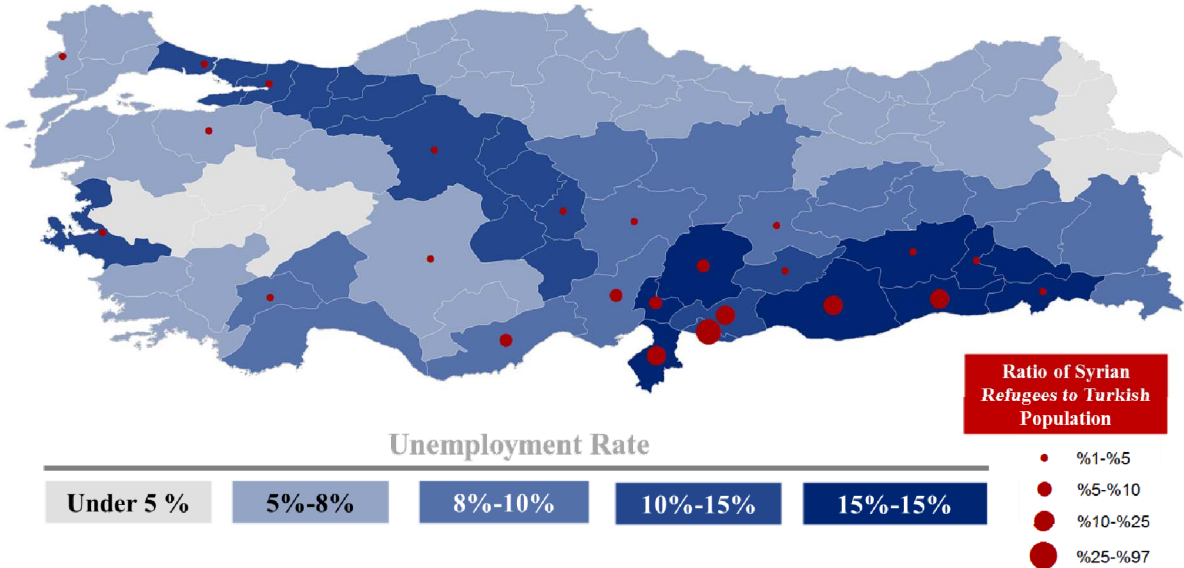
As stated above, 91% of SuTP live in urban areas concentrated in the South-eastern provinces as well as the metropolitan areas of İstanbul, Ankara, İzmir and Bursa with significant impact on the local labour market. Whereas TPCs provide access to basic needs such as shelter, food and healthcare, SuTP living in urban settings have to sustain their needs through their own means. In turn, this requires access to the labour market.

<sup>5</sup> Also referred to as Temporary Accommodation Centres

Before January 2016, Syrians with residence permits could apply for work permits in Turkey, but in practice this process proved to be extremely cumbersome. According to the Ministry of Labour and Social Security, the number of work permits issued between 2011 and 2015 – whether to business owners or Syrian employees was 7.692. The remaining SuTP workforce worked irregularly, making them vulnerable to market fluctuations as well as employer exploitation. According to a survey of the Disaster and Emergency Management Authority (AFAD) from 2013, more than half of SuTP living outside TPCs reported earning less than half of the Turkish minimum wage.

In an attempt to remedy this situation, in January 2016 the Government of Turkey enacted a regulation enabling foreigners under temporary protection to obtain work permits. Even though it comes with certain limitations (e.g. 10 per cent quota of Syrian employees per company), the legislation was hailed by national and international critics as progressive step towards integrating the SuTP population into Turkish economy. This is an important step to ensure that the right to work and consequently human dignity is ensured through economic independence and self-sufficiency.

**Figure 1: Unemployment rate and ratio of SuTPs to Turkish population by provinces, %, 2015**



Today, it is a de facto situation that a high number of Syrians work illegally in Turkey to sustain their families’ livelihood. At the same time, there has been a large-scale replacement of Turkish workers from informal jobs (manual and agricultural labour), particularly women, by SuTP due to lower wages and worsened working conditions, eventually leading to exploitation. A 2015 study by the Economic Policy Research Foundation of Turkey (TEPAV) shows that Syrians are densely populated in areas with chronically higher unemployment (*see Figure 1*).

Especially the Kilis-Gaziantep-Adıyaman region of Turkey had a significant increase in unemployment in 2015, and almost half of this increase stems from the rise in the number of unemployed males in the workforce with education levels below high school. In other words, males in the region with low education levels are more susceptible to become unemployed when compared to the average of Turkey, presumably as a result of Syrians’ irregular entries to the labour market.

The occupational skillsets and educational background of SuTP are rather unknown. Reports state that 79.8% of SuTP aged above 6 years have middle school or lower education and approximately 18% of the male population residing in TPCs have no profession<sup>6</sup>.

Existing open jobs, however, are not sufficient to respond to the labour supply. This is even more of a pressing concern considering the increasing unemployment rates and labour supply in the Turkish labour market, resulting in additional 1.000.000 individuals and an increase of 700.000 unemployed between November 2015 and November 2016<sup>7</sup>. On the other hand, a study conducted within the framework of an EU funded project<sup>8</sup> underlines that in the five border provinces with highest refugee population, there is a need to create at least 240.000 jobs to maintain the current level of unemployment. The same study highlights a number of possible intervention areas to contribute to this goal including improvement in key value chains and local industrial ecosystems (i.e. SMEs, business unions, support facilities, etc.).

Among the possible sectors that can offer jobs to the impacted communities are the manufacturing industry (with highest potential), services and agricultural sectors. On the other hand, there are a number of challenges that Turkey's industrial sector faces even in creating job opportunities to the host communities. These structural challenges are mainly low value added production, resulting in a limited position in international markets, as well as low productivity. It is with this understanding that to ensure sustainable and decent jobs for impacted communities, these challenges need to be addressed through an industrial transformation that leads to higher growth and better job opportunities.

Language skills are a critical barrier for integration into the labour market. Unlike other countries that admit a large number of Syrian refugees – such as Lebanon and Jordan – Syrians arriving in Turkey are often required to learn a whole new language, in order to find a job.

### **2.3. Lessons learnt**

A joint intervention strategy that benefits both host communities and SuTP is key to enhance/maintain social cohesion and economic integration. According to a study<sup>9</sup> 56% of the Turkish society agrees with the statement: “*Syrians take our jobs*”. Throughout the consultations held with the Government of Turkey, the need was highlighted to invest in existing national and local systems to ensure that they cater for both SuTP and host communities, rather than creating new/parallel mechanisms for SuTP only.

Furthermore, local chambers have first-hand knowledge regarding the realities on the ground and challenges ahead, since they are the strongest and most expansive grassroots private sector entities in local communities, with direct links to the companies. Therefore, a sustained engagement into the integration efforts of Syrians will be very important for the success of this Action, in particular Component 1.

Employers need to be supported for providing more inclusive employment opportunities. In free market conditions, it is not attractive for employers to employ Syrians. Therefore,

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<sup>6</sup> (AFAD. 2014. “Population Influx from Syria to Turkey” <https://www.afad.gov.tr/Dokuman/TR/148-20150202172457-11549547929971633783.pdf>)

<sup>7</sup> TURKSTAT, <http://tuik.gov.tr/HbGetirHTML.do?id=24624>

<sup>8</sup> [http://www.tr.undp.org/content/turkey/en/home/operations/projects/poverty\\_reduction/mitigating-the-impact-of-syrian-crisis-on-southeast-anatolia-reg.html](http://www.tr.undp.org/content/turkey/en/home/operations/projects/poverty_reduction/mitigating-the-impact-of-syrian-crisis-on-southeast-anatolia-reg.html)

<sup>9</sup> ‘Syrians in Turkey: social acceptance and integration research’ <http://fs.hacettepe.edu.tr/hugo/dosyalar/TurkiyedekiSuriyeliler-Syrians%20in%20Turkey-Rapor-TR-EN-19022015.pdf>

intervention measures in the form of financial incentives (tax breaks, social security premium waivers, etc.) are necessary.

Early investment in systems ensures national ownership and enhances opportunities for Governments to explore gaps in terms of policy, national budgeting and capacity that can benefit from financial and technical resources mobilized by the EU and its partners through the emergency to ensure upgrade or sustain critical services, beyond the time-frame of the emergency.

All responses to the crisis have shown that the situation on the ground develops quickly and often beyond projections. For that reason, a large degree of flexibility will be required for any intervention addressing medium to long term needs to allow for an effective response to the evolving needs of the beneficiary populations.

#### **2.4. Complementary actions**

This action reflects the findings of an independent needs assessment from June 2016 that was commissioned by the EU to help guide and target short and medium-term assistance to refugees, which is to be mobilised within the framework of the Facility. That assessment builds on the Government of Turkey's first stage needs assessment from March 2016.

The present Action was designed in complementarity with actions under the **Facility** Special Measure from July 2016 to be implemented by

- World Bank in the area of socio-economic support. The Implementing Partners will coordinate and work closely with the World Bank with respect to the skills validation as well as profiling exercises of job seeking SuTP under *Component 1*.
- European Investment Bank (EIB) and other International Financing Institutions (IFIs) in the area of municipal infrastructure. The selection of specific municipal support interventions under *Component 3* will be made in consultation with the Ministry of Environment and Urbanization, relevant government agencies (i.e. IIBank) and IFIs to avoid overlap of investments in the same municipalities and ensure complementarity.

Furthermore, a number of **IPA** Programmes target similar areas as this Action, although without a specific focus on SuTP. The interventions under *Component 1* are closely interlinked with Employment, Education and Social Policies Multi-Annual Action Plan, with particular focus on Action 1/Employment. While there are a number of measures to support provision of Active Labour Market Measures (ALMP) available to a wide range of population groups, no measure is available under IPA-II for ALMP for SuTP.

On the other hand, the partner agency under *Component 1*, i.e. the Turkish Employment Agency İŞKUR, has been benefiting from IPA funds for their institutional capacity as well as actual active labour market measures targeting disadvantaged groups and youth. Component 1 will complement the capacities developed within this framework, particularly considering İŞKUR capacities.

*Component 2* of the Action is in line with the priorities formulated in Turkey's Climate Change National Action Plan as well as the National Renewable Energy Action Plan. Turkey's energy policy seeks to increase the current share of renewable energy in electricity generation to 30%.

*Component 3* of the Action will be implemented in parallel with similar initiatives financed under IPA on municipal infrastructure. The Implementing Partner will coordinate with relevant stakeholders to ensure that its activities under the Action will not overlap with other municipal investments.

Under the Instrument contributing to Stability and Peace (IcSP), the UNDP Project "Mitigating the Impact of Syrian Crisis on Southeast Anatolia Region", Waste management component with the objective of supporting municipalities from the south-east to cope with an increased volume of waste generated by the sudden increase in population strengthening the service delivery capacity of the local authorities.

## **2.5. Donor co-ordination**

The Government of Turkey's response to the Syrian crisis is led and coordinated by AFAD, while other line ministries and central/local government agencies are increasingly involved in the response. Local municipalities play a critical role in the implementation of the response. As a result of the protracted nature of the crisis, there is an increasingly strong call for a multi-sector resilience based response.

During the process of preparing a comprehensive needs assessment for short, medium to long term actions needed as basis for an enhanced EU support to Turkey related to the Syrian refugee crisis (March-June 2016), the EU managed a broad consultation with multilateral and bilateral donors on their aid programmes towards Syrian refugees in Turkey by means of questionnaire and information sharing meetings.

The EU Delegation in Ankara is co-chairing with ECHO regular meetings of the EU Refugees and Migration Coordination contact group with EU Member States with a view to share views and exchange information.

The Madad Fund management is in the lead to ensure coordination with EU Member States contributing to the Fund. Moreover, the Fund management will also coordinate with its selected implementing partners or other stakeholders on regional level or cross border issues.

At a broader level the EU is actively contributing to overall donor co-ordination under the auspices of the United Nations in the framework of the Regional Refugee and Response Plan (3RP) that integrates humanitarian, development and macro fiscal interventions to increase coherence between humanitarian and development and national and regional priorities.

This Action is also designed in complementarity with the interventions designed within the scope of the Turkey Chapter of the Regional Refugee and Response Plan, with particular focus on interventions in the sectors of livelihoods and basic needs (i.e. municipal support is coordinated through the basic needs sector). These partners include UN agencies, their government and local partners as well as NGO partners. UNDP co-leads the 3RP together with UNHCR, as lead agency on resilience, including the main streaming of resilience across all six sectors UNDP co-chairs both the Syria Response Group (head of agencies level) and the Syria task force (attended by UN agencies, NGOs and donors). The International Labour Organization (ILO) has been implementing several projects regarding the labour market integration of Syrian refugees and host communities in Turkey.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

The **Overall Objective** of the proposed programme is to strengthen the economic and social resilience of the Syrians under Temporary Protection (SuTP).

The action will also support vulnerable host community members, support municipalities and institutions in provinces most affected by the influx of SuTP or have the potential to absorb an additional Syrian labour force to strengthen the recover from the impact of the displacement.

The **Specific Objectives** are to

- To enhance the economic and social empowerment of SuTP to become an asset for the local economy and economic growth potential;
- To improve and secure the living conditions of SuTP and the population of host communities in Turkey.

### **3.2. Expected results and main activities**

The Action is composed of **three** interlinked components, which collectively contribute to the overall objective of strengthening the resilience of both impacted individuals (SuTP and host communities) and relevant institutions, in particular at local level. All components are designed to reinforce and complement each other. As such, this is a comprehensive and integrated response to the multiple socio-economic challenges faced by the impacted communities, SuTP and institutions.

#### **Component 1: Economic and social empowerment of SuTP**

##### **Sub component 1: Employability of SuTP**

Inclusion in the local employment market is key for integrating SuTP into host countries on a mid- and long-term basis. With the primary components of a legislative body and institutional setup in place, employment of Syrian refugees is contingent upon their occupational skills matching the needs of the Turkish economy, especially in cities with significant Syrian population. However, the SuTP population in Turkey is heterogeneous, including unskilled and skilled people. Identification of the existing skills is therefore an important step in integration efforts.

Therefore, this sub component will focus on increasing the employability of SuTP through identification of their existing skills and validation through testing and certification. This is a very important precondition for incorporating them into the economic life which in turn can become a trigger for economic growth in Turkey.

Activities are proposed to focus on provinces in Turkey with the highest Syrian population (Şanlıurfa, İstanbul, Hatay, Gaziantep, Adana, Mersin, Kilis, Mardin, İzmir, Bursa, Mardin, Konya and Kayseri). However, final locations will be determined on the basis of further consultation with all involved stakeholders to ensure full complementarity and avoid overlaps.

It is proposed that this Sub-Component will be implemented by the Union of Chambers and Commodity Exchanges of Turkey (TOBB) (*for further details, please see section 4.3.1*).

##### ***Expected results and key indicators:***

- Skills demands of companies identified
  - At least 3.000 companies are knowledgeable of the legal requirements and procedures to be followed for employing foreigners under temporary protection
- Capacity and know-how of local chambers and government institutions to support integration of Syrians increased.
  - For every regional chamber of commerce participating to the project, 1-2 dedicated new personal with Syrian background will be hired to run the information desk full time. They will ensure outreach to the target communities, have language skills and cross cultural background to attract them to the chambers.



- Existing skills of Syrians identified and certified
  - At least 30,000 SuTP/ Turks<sup>10</sup> received skill mapping which enables them to receive vocational guidance in line with their existing skills and skills gaps.
- Accession of SuTP to vocational training programmes of public institutions and international NGOs facilitated
  - At least 30.000 SuTP/ Turks<sup>9</sup> received vocational guidance which enables them to be guided to (1) certification process within the project if they have existing vocational skills, or (2) vocational training programmes provided by other stakeholders if they do not have any vocational skills,
- Employability of SuTP increased.
  - At least 20.000 SuTP/ Turks<sup>9</sup> participated in preparation programmes (3-5 days) at voluntary companies which enables them to have prior understanding on the examination system using national qualifications, which are approved by the Vocational Qualifications Authority. (these programmes will take 3-5 days and it will be possible to organise them in partnership with schools),
  - At least 15.000 SuTP/ Turks<sup>9</sup> certified which enables them to validate their qualifications to enter in the labour market,
- Cooperation between local and regional stakeholders to support SuTP enhanced.
  - Synergies created between new İŞKUR service points established inside the local chambers and the new project related info desk run by staff with Syrian background. Both service units will cooperate and avoid duplication of actions under the guidance of the chamber management to maximize their outreach and mobilization of target communities. The units will work with measurable business targets such as number of people reached/month based on the quantified existing market size.

***Main activities:***

- Network Setup and Project Coordination (establish project teams; organize kick-off, coordination and closing events; create online Information centre to keep companies and Syrians updated about legal framework for employing Syrians, procedures of doing business, training opportunities, work permits, etc.)
- Sectoral Analysis (analyse economic conditions, sectors, potential growth of sectors, potential of job market and skills; identify skills needs of companies; create training pool of vocational programmes provided by government bodies, international donors and local NGOs.)
- Capacity Building (implement training programmes; learn from experience made by German Chambers in integrating refugees in the local economy through mentoring and study trip to Germany)
- Profile-Making (establish ‘Integration Service Points’ at each Chamber; announce Integration Programme through Chambers and carry out public relations campaign to effectively communicate project activities; select Syrians to participate in project activities; map skills based on language, level of education, skills and qualifications, professional experience. etc.)
- Testing and Certification (prepare programme for Syrians who will take vocational qualifications tests at voluntary companies; identify VOC-TEST Centres (Authorised

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<sup>10</sup> At least 35 % Turkish people will benefit from these activities.

Certification Bodies) willing/capable of testing and certification in Arabic; translate vocational standards and test material into Arabic; test and certify Syrians at VOC-TEST Centres authorized by the Vocational Qualifications Authority (MYK).

→ Matchmaking (match companies and Syrians at events called “speed dating days”; develop financial incentives for companies who employ certified Syrians for minimum 1 year; provide consultancy to companies who want to employ Syrians).

## **Sub-component 2: Job Creation and Labour Absorption**

This sub-component aims at achieving both short-term results of actual job placement for the impacted communities as well as longer-term interventions that contribute to sustainable decent employment opportunities through action-oriented transformation agenda for Gaziantep industrial area (a national priority). It will focus on improving the labour market absorption capacity through supporting existing manufacturing industries and at creating additional capabilities in the relevant ecosystem actors (companies, OIZs, Chambers, Technology Development Zones, etc.) to nurture new opportunities both for SuTP and host community members.

One of the main pillars of this sub-component is the establishment of common use facilities for existing enterprises (SMEs and larger scale) to accelerate growth and productivity serving both existing enterprises and potential entrepreneurial actions between SuTP and host community members. More specifically, these common use facilities will focus on the operationalisation of SME Capability Centres<sup>11</sup> which will generate additional employment opportunities for SuTP and affected host community members, complementing broader SME support currently provided by relevant Government Institutions. Other activities will provide market-based productive skills training for women, both for SuTP and host community members to support social and economic integration.

Activities under this sub-component are proposed to focus on the geographical locations Gaziantep-Kilis, Hatay-Adana-Mersin (indicative sectors: furniture, food, logistics) and İzmir-Manisa (indicative sectors: automotive, household appliances). However, final locations will be determined on the basis of further consultation with all involved stakeholders to ensure full complementarity and avoid overlap.

It is proposed that this Sub-Component will be implemented by UNDP (*for further details, please see section 4.3.2*).

### ***Expected results and key indicators:***

- At least 2 SME Capability Centres and at least 2 Innovation Centres<sup>12</sup> are operational
- At least 2,000 SuTP and host community members benefit from income generating and employment opportunities;
- At least 1,000 SuTP benefit from awareness raising and other types of services on innovation-driven entrepreneurship;

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<sup>11</sup> SME Capability Centres provide experiential learning tools in multiple areas for SMEs to improve their productivity base, product base, enhance their marketing capacities etc. Types of training programs cover experiential training, on the job training, specific consultancies throughout the trainings.

<sup>12</sup> Innovation centres will be established with available technology development zones and regional development agencies in line with the local priorities and needs. These centres could trigger pro-typing, design services as well as supportive business development services to nurture new job creation for new start up initiatives.

- At least 650 enterprises benefit from business advisory services in the form of conditional technical assistance and investment/equipment support;
- At least 250 innovation driven initiatives set-up by Syrians and/or in the form of Syrian-Turkish joint ventures;
- A total of 200 jobs created in capability centres linked with their services;
- At least 750 women benefit from dedicated market-based productive skills development programmes, of which at least 375 women will access to improved income opportunities.

***Main activities:***

- Establish 2 SME Capability Centres (specific needs assessments on service mix; develop specific business plan; refurbish centres; develop training curriculum; deliver Train the Trainers Programme and training programs; deliver business development services on operations, marketing and sales, digitalization and cross cutting issues; develop programmes for centres to increase SME participation to pilot programmes)
- Operationalise Innovation Centres (assess specific needs for each area to elaborate start up potential which could trigger SuTP and host community collaboration; refurbish existing potential areas; implement business plans; deliver awareness campaigns on topics including innovation, services provided by centre)
- Support to local industry in Gaziantep to increase labour absorption (develop roadmaps for entrepreneurs, SMEs, large scale enterprises and other key actors; implement labour-absorptive sector development roadmaps; support operationalisation of Polateli Qualified Industrial Zone; support productive skills and income generation potentials of Syrian women in cooperation with their host community counterparts).

**Sub-component 3: Turkish Language Training**

Language is one of the main constraints for SuTP to have access to employment opportunities. Considering the high priority of enabling SuTPs to enter the Turkish labour market, this component will focus solely on Turkish language training for adults

Following the above, this action will provide Adult Turkish language trainings to those SuTPs benefiting from activities under Sub-Components 1 and 2. A wide range of Turkish language trainings will be provided in line with the needs identified to ensure that the target group reaches the proper/needed language sufficiency to facilitate their access to the job market.

It is proposed that this Sub-Component will be implemented both by TOBB and UNDP (*for further details, please see section 4.3.2*).

***Expected results and key indicators:***

- The number of SuTP who master Turkish language increased.
  - At least 65.000 SuTP from the general SuTP population and from those who participate in activities under this action will receive Turkish language training and reach A1, A2 or B1 level, depending on the needs identified.

***Main activities:***

- Provide Turkish language training for adults (wide range of Turkish language trainings in line with needs identified to ensure that the target group reaches the proper/needed language sufficiency to facilitate their access to the job market).

## **Component 2: Sustainable clean energy for SuTP and host communities and accompanying measures with AFAD**

This component aims at improving the living conditions of SuTP living in TPCs and both SuTP and host communities near selected TPCs by increasing the supply with sustainable clean energy, thus meeting one of the key Madad priorities by improving and securing the living conditions of the most vulnerable.

TPCs are managed by AFAD which covers operational costs such as electricity, water, etc. It is estimated that since the beginning of the crisis the Government of Turkey has spent EUR 7 billion for the operational costs of TPCs. Currently, TPCs receive electricity from the city grid. AFAD purchased electricity with 20% reduction from the electricity price determined by Energy Market Regulatory Authority (EMRA) in 2016. The reduction was reduced to 12.5% in 2017.

Activities under this component will enable AFAD to produce a significant portion of the electricity TPCs consume. The ideal sites of implementation for this activity will be container type TPCs; pre-identified locations are the Kahramanmaraş and Kilis Öncüpınar (pilot locations) and indicatively Dulkadiroğlu, Harran and Elbeyli accommodation centres. However, the final locations will be determined on the basis of further consultations with the relevant partners.

Moreover, the component will strengthen the weak public services in Turkish communities in the South and South-eastern regions where water and electricity needs are under stress. By strengthening the capacities of national and local institutions to provide public service, thus reducing potential conflicts and ensuring social cohesion, the Action meets the objectives of the 3RP Plan. Last but not least, energy has been established as a fundamental pillar of development with the adaptation of Sustainable Development Goal (SDG).

In addition, the Component addresses a medium and long-term strategy to support relevant Turkish institutions, particularly AFAD, to cope with the refugee crisis through accompanying measures to ensure the proper operation and maintenance of the solar farms and efficient power supply management in TPCs.

It is proposed that this component will be implemented by KfW (*for further details, please see section 4.3.2*).

### ***Expected results and key indicators:***

- Financial burden on the Government of Turkey/AFAD reduced due to energy supply based on cost price;
  - At least 4 TPCs became energy efficient via installation of renewable energy facilities, energy efficient appliances, upgrade of energy infrastructure and induction of energy management operations in public facilities.
- Energy provided fast and efficient based on a mature, cost-effective and easy to operate PV-technology;
  - Additional 20-25 MW PV-capacities properly operated at multiple sites near or in TPCs.
  - Approximately 33,6 GWh electricity produced annually.
- New business opportunities created for local small and medium sized enterprises in the affected region;
  - Regional construction companies benefited by building foundations, erecting steel frames, assisting PV panel installation and fencing of 40-50 hectares of solar farms. 10-

20 permanent employees are necessary for operation and maintenance on a long term perspective.

- High economic viability of investments in PV capacity achieved due to good radiation conditions in the area;
  - 1.700 kWh/m<sup>2</sup> – 1.400 kWh/m<sup>2</sup> (peak) will be produced, compared to 1.200 kWh/m<sup>2</sup> in southern Germany.
- Extension and stabilization of the power supply had positive stabilization effects on the distribution system in the region;
  - At least 3 municipalities neighbouring TPCs benefited from the Action due to the immediate stabilisation effect on the distribution grid. As the function and technical life expectancy of PV-plants is 20-25 years, host communities will benefit from the sustainability of these investments also beyond the context of the current refugee crisis.
- Awareness for utilization of renewable energy sources in Turkish public institutions increased;
  - At least 3 Awareness campaigns (at least 1 in each participating municipality) on the efficient use of solar power.
  - Several site visits for school classes (including Turkish and SuTP children)
- AFAD's capacity to manage and coordinate the present action increased;
  - At least 4 trainings/ workshops/ study tours provided to AFAD staff.

***Main activities:***

- Undertake energy mapping and detailed technical assessment of container based TPCs in terms of energy infrastructure, energy consumption profile, availability and capacity for renewable energy production via solar, biomass, wind, etc.;
- Upgrade energy infrastructure at selected container based facilities (lighting system modernization, reactive compensation systems, improvement of heating/cooling facilities, building insulation, etc);
- Install small scale renewable energy facilities at TPCs to offset energy consumption originating from administrative, social and public service structures, which generally contribute to at least 20 to 30% of the net annual energy currently consumed;
- Establish EMS (energy management system) at selected TPCs to achieve energy efficiency through process optimization. EMS is aimed to gather detailed, real-time data and generate intelligent, specific, real-time guidance on finding and capturing the optimal savings opportunities (e.g. educating SuTPs to shift power consumption to PV peak production hours);
- Identify land locations appropriate for solar farms with no competing land use
- Implement feasibility study and pre-design
- Install a total of 20-25 MW (peak) photovoltaic capacity at multiple sites near/in TPCs or in the electricity distribution region where TPCs are located
- Take complementary measures for grid connection and/or energy storage if necessary.
- Design and supervise works by an (international) implementation consultant.
- Provide accompanying measures including training to ensure proper operation and maintenance of the solar farms as well as efficient power supply management in the TPCs.
- Strengthen AFAD's capacity to coordinate with various local and central institutions involved to ensure smooth licensing and permission processes;

- Strengthen AFAD's institutional implementation capacity to develop, implement and manage the project as well as monitor and evaluate project implementation (assistance in procurement of such technologies, avoidance of land use conflicts, health and safety issues, etc.);
- Implement trainings/ workshops/ study tours to AFAD staff focussed on project management, health and safety issues, supervision and quality control as well as operation and maintenance of PV systems;
- Provide special training to TPC personnel to monitor energy efficiency measures;
- Provide specialized technical assistance to AFAD in how to design, procure and implement the solar farms to stimulate projects at other locations;
- Provide technical support to strengthen AFAD sectoral expertise for the action (characteristics of large-scale PV systems, performance guarantees and taking-over, energy management to minimize energy consumption, energy efficiency principles, etc.);
- Provide communication support, including support to AFAD's press and communication unit focusing on the Action, prepare briefs and monitoring visibility actions (EU visibility requirements, increasing of acceptance among local population, project support through higher-ranked politicians and officials, international media presence, educational program for schools, etc.);
- Carry out Awareness campaigns on the efficient use of solar power
- Implement site visits for school classes (including Turkish and SuTP children) by specially trained operation and maintenance personnel.

### **Component 3: Improving municipality service delivery for SuTP and host communities**

This component will include physical infrastructure in service areas that are most impacted by the large influx of SuTP, as well as technical capacity development for firefighting services.

More specifically, support under this component focusses on the establishment of mechanical biological solid waste treatment facilities, solid waste transfer stations and waste water treatment facilities as well as improvement for firefighting services.

It is expected that the implementation of this component's activities will bring about overall significant impact in terms of increasing the capacity of the municipalities and communities that are most impacted by the influx of large numbers of SuTP.

Activities under this component are proposed to focus on Gaziantep, Şanlıurfa, Kilis, Hatay, i.e. provinces with more than 100.000 SuTP and where the ratio of SuTP is more than 15% of the population of host communities. However, final locations will be determined on the basis of further consultation with all involved stakeholders to ensure full complementarity and avoid overlap.

It is proposed that this component will be implemented by UNDP (*for further details, please see section 4.3.2*).

#### ***Expected results and key indicators:***

- Improved access to municipal services for SuTP and host community members
  - At least 2 Solid waste Mechanical Biological Treatment (MBT) facilities established and operational.
  - At least 2 Waste-water treatment facilities established and operational;
  - At least 3 Waste transfer stations established and operational;

- At least 307.000 SuTP and host community members benefit from the improved services provided by the Municipalities;
- Firefighting equipment provided to municipalities;
  - At least 2 to 6 municipalities supported with technical advice and hardware for firefighting services.

***Main activities:***

**Physical Infrastructure for Municipalities**

- Establish Project Management Units at municipalities' offices;
- Prepare projects (either by respective municipalities or through technical assistance);
- Appraise project proposals;
- Tender projects;
- Construct infrastructure according to international standards, supervised by municipalities and/or UNDP;
- Provide supplies necessary for operationalising of infrastructure, if applicable.

**Technical advice and hardware for firefighting services**

- Provide firefighting equipment to municipalities accompanied by technical advice and training

**3.3. Risks and assumptions**

The main assumptions for the success of the project and its implementation are:

- AFAD and other relevant Government stakeholders continue their support to project activities.
- Number of SuTP remain stable;
- The Government of Turkey continues its efforts to implement the January 2016 Work Permit regulation.
- Local Chambers are fully supportive to the project activities and giving it a priority among other ongoing efforts.
- Local companies are willing to hire qualified SuTP under certain conditions
- Host communities remain open to socio economic integration of SuTP
- Number and geographic distribution of SuTP remain stable during the implementation period so that local company needs and skills supply can match without need for people to move.

Risks	Planned Risk Response
Refugee influx: Continuous or even increasing influx of Syrian refugees to Turkey despite closed boarder policies and active measures	Close cooperation with AFAD and local authorities to detect major changes. Ensure flexibility of project actions per region.
Hiring conditions: General economic down turn, which puts pressure on SMEs and makes hiring new staff more difficult	Using regular business barometers to focus on sectors with growth potential plus hiring appetite
Geographic limitation for labour movement: Limited flexibility on free movement of labour that is needed in one region but only available in another geographic region of Turkey.	Specifying skills mapping short-list and company needs assessment to ensure match supply and demand from beginning of action
Changes in work permit regulations or employment policies with impact on the employment of people under temporary protection	Close follow up on regulatory developments in this field. Continuous updates to authorities about project results to support a hiring friendly working policy

### 3.4. Cross-cutting issues

**Gender:** pre-crisis labour force participation rate (LFPR) amongst Syrians was 73% for men and 14% for women.<sup>13</sup> Challenges for women to enter the labour market in Turkey may be even higher, noting possible obstacles to work outside the house, language barriers, additional household responsibilities and limitations to the use of public transportation. At the same time, more than 70% of the SuTP are women and children. More than 50% of the SuTP are youth.

The Action therefore includes interventions that are specific to supporting access to the labour market for women and youth, contributing to their empowerment and reducing risks of gender based violence. Other forms of labour such as home-based employment will also be considered under the Action as potential livelihood sources for women. In addition to gender specific interventions, the Action will use a gender sensitive approach to all project activities, including not only gender mainstreaming but also active promotion of gender equality.

The action will also try to align with the thematic objectives selected for Turkey for the implementation of the Gender Action Plan 2016-2020, to be pursued in all the EU actions in the country from now until 2020. Those include equal access for girls and women to quality education and VET free from discrimination, as well as fight against all forms of VAWG and support to women's organisations and CSOs/HRD working for gender equality and women's and girls' empowerment.

**Conflict sensitivity:** the Action overall applies a conflict sensitive approach to Do No Harm, in addition to activities that are aimed to enhance social cohesion and social integration. For instance, where possible, activities deliberately target both SuTP and host community members to support social cohesion and integration. Support will be provided for transparent and inclusive selection of project priorities through local structures.

**Environment:** the Action will overall ensure that activities are environmentally friendly, in particular with regard to Components 1 and 2. In addition at least two activities are

<sup>13</sup> Absorptive Capacity and Potential of Local Labour Markets Assessment, UNDP 2016.



deliberately aimed to contribute positively to the environment: Technical assistance and training to ensure proper operation and maintenance of the solar farms as well as efficient power supply management in the TPCs; Awareness campaigns for the efficient use of solar power.

**Disability:** the proposed Implementing Partners for this action will make efforts to mainstream SuTP with disabilities, in particular into activities of Component 1. The implementing partners will pay special attention to ensuring the inclusion of SuTP with disabilities under all the aims and activities of the Action, in view of the high risk of their under-participation and social exclusion. Environmental and social barriers to the participation of these SuTP will be identified and addressed.

### **3.5. Stakeholders**

The main stakeholders of the project are local host and refugee communities as such, their leaders, local and national authorities of respective target countries, local and national CSOs as well as other forms of local community or business/economic associations.

The content of the present Action has been shared with AFAD and other relevant Government institutions.

More specifically,

- The Economic Policy Research Foundation of Turkey (TEPAV) and local chambers are among the primary partners of Component 1. Other Governmental stakeholders will be AFAD, the Turkish Employment İŞKUR, the Vocational Qualifications Authority (MYK), the Ministry of Labour and Social Security and the Ministry of National Education. Furthermore, the proposed activities will be executed in close cooperation with Trade Unions, International organizations active in the region (such as ILO, UNDP and EBRD) as well as Civil Society Organizations working on socio-economic issues.
- AFAD, relevant Municipalities as well as the Energy Market Regulatory Authority (EMRA) are among the primary stakeholders of Component 2.
- Relevant Municipalities as well as the Ministry for Development are among the primary stakeholders of Component 3. Furthermore, the activities will be executed in close cooperation with implementing partners of other ongoing initiatives in the area of municipal infrastructure.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Financing agreement, if relevant**

In order to implement this Action, it is not foreseen to conclude a financing agreement with Turkey, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

### **4.2. Indicative operational implementation period**

The indicative operational implementation period of the Action, during which the activities described in section 3.2 is 24 months from adoption of this Action Document by the Operational Board. In any case the latest date for implementation is 14 December 2019<sup>14</sup>, linked to the end of the legal duration of the Madad.

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<sup>14</sup> The implementation period of the contract must remain within the duration of the Trust Fund (currently 15

### **4.3. Implementation components and modules**

According to the Madad procedure, this Action is based on Concept Notes submitted by various potential Implementing Partners and the result of a competitive evaluation process. It has been consulted with the Turkish Government and the EU understands that it has been well received.

The Madad fund is an appropriate Instrument for this Action as it allows for a more flexible approach in the phase of project preparation to be able to cover the identified needs.

#### **4.3.1. Grants: Direct award (Direct Management)**

In order to be able to respond to immediate needs for interventions in the context of the Syrian crisis in favour of livelihood opportunities for Syrian refugees and their host communities the direct award of grants is foreseen.

The Fund has been established under Article 187 of the Financial Regulation as 'emergency' trust fund, and is therefore covered with flexible procedures applicable to crisis situations. Moreover, the crisis situation applicable to all programmes implemented in the whole of Syria and activities related to the Syrian crisis which will have to take place outside Syria is in the process of being extended.

Direct Management is foreseen for activities under Component 1 (Sub-Components 1 and 3).

Facilitation of integration of Syrians into Turkish labour market means increasing their employability and increasing their employment at companies. This requires strong links with companies who are going to employ them. TOBB, the Union of Chambers and Commodity Exchanges of Turkey, was established in 1950. Currently, it has 365 members (local chambers of commerce, industry, commerce and industry and commodity exchanges) with a membership of totalling to 1.4 million companies. Therefore, TOBB as Turkey's highest legal entity representing the private sector through its local chambers is considered as a solid choice to be Implementing Partner for parts of Component 1 of this Action, which deals with economic and social empowerment of Syrian refugees.

A negotiation team will be appointed by the EUTF Trust Fund Madad Manager.

#### *a) Eligibility conditions*

The lead applicant needs to be a legal entity, be non-profit making and non-governmental organisation. Specialised European or International non-profit operators and CSOs will be the envisaged partners.

#### *b) Essential selection and award criteria*

Essential selection criteria are the financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the Action Document; design, effectiveness, feasibility, sustainability and cost-effectiveness of the Action.

Presence and experience in the region, immediate intervention capacity, and the ability to work in multi-actor approaches and inclusive partnerships aimed at recognising the value of different stakeholders' contributions and synergies will be part of the evaluation criteria.

#### *c) Maximum rate of co-financing*

The maximum possible rate of co-financing for the grants is 80% of the total eligible costs of the Action.

If full financing is essential for the Action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. If full funding is essential, the applicant has to provide adequate justification to be accepted by Manager, in respect of the principles of equal treatment and sound financial management.

#### 4.3.2 Delegation Agreement (Indirect Management)

To be able to respond to immediate needs in the context of the Syrian crisis for interventions targeting SuTP and their host communities in Turkey in accordance with the above objectives, a delegation agreement is foreseen in accordance with Article 58(1)(c) of the Regulation (EU, Euratom) No 966/2012 one or more Delegation Agreements are foreseen for activities under Component 1, 2 and 3.

Eligible institutions will be selected on the basis of their experience in the field, and possibility to scale up their existing operations and/or introduce new activities within their portfolio. Furthermore, proven experience in cooperating with the Government of Turkey and having obtained their support on the planned intervention were decisive factors for selecting it as implementing partner. Potential Partners in this regard are KfW and UNDP.

For more than 60 years, KfW has been active in Turkey with a well proven track record, including in the area of municipal infrastructure. In December 2016, KfW started implementing two contracts financed under Madad and the Facility, targeting the construction of schools to integrate Syrian children into the Turkish educational system. Regarding Energy Efficiency Programmes, KfW provides over extensive experience and is a worldwide recognized reliable partner highly appreciated by the Turkish Government. Moreover, the Action would continue KfW's already ongoing cooperation with AFAD on the introduction of sustainable energy options in refugee camps. Following the above, KfW is the preferable Implementing Partner under Component 2.

UNDP has been working for more than 50 years in close partnership with the Turkish Government and numerous national and international institutions for Inclusive and Sustainable Growth, Inclusive and Democratic Governance and Climate Change and Environment. Since 1986 it has realised over 80 programmes across the country. In addition, as stated above, UNDP is currently implementing a very successful IcSP funded project with the objective to support municipalities from the south-east to cope with an increased volume of solid waste and waste-water generated by the sudden increase in population by strengthening the service delivery capacity of the local authorities. And finally, UNDP is offering a comprehensive package of tailor made Turkish Language training, which has been identified as highest priority by both, the Turkish Government and the EU. Following the above, UNDP has strong support from the Ministry of Development for Component 1, Sub-Component 2 and from AFAD for Component 1, Sub-Component 3, as well as for Component 3.

As outlined above, the selection of these entities is justified by their solid experience and unique position as lead agencies in the sector, coupled with their ability to absorb considerable funds in a short period whilst maintaining the required accountability standards. A negotiation team will be appointed by the Madad Manager.

#### 4.4. Indicative budget

Module	Amount of total budget*
Direct management with TOBB	15,000,000
Indirect management with KfW	40,000,000
Indirect management with UNDP	50,000,000
<b>Total</b>	<b>105,000,000</b>

\* *The costs of Evaluation and audit and Communication and visibility will be included in the projects' budgets and/or contracted separately via service contract(s).*

#### 4.5. Performance Monitoring

Monitoring shall be ensured primarily through EU Delegations in-country and in particular with the assistance of specific Trust Fund field & liaison officers posted within the EU Delegations. In addition, the EU Trust Fund is planning to launch an independent M&E exercise to accompany all Fund programmes and ensure that targets are met and lessons learnt can be incorporated into other Madad actions.

The purpose of the Madad Monitoring and Evaluation Framework would be to assess, across various levels, the degree to which the Overall Objective of the Trust Fund has been achieved.

Partners implementing this Action will comply with the ad hoc Monitoring and Evaluation Framework developed for the Madad Fund as well as with the reporting requirements and tools being developed by the EU Trust Fund.

The monitoring and evaluation exercises mentioned above will represent milestones in the implementation of the activities. These regular assessments will constitute a basis for a possible decision of suspension or revision of activities, should the conditions on the ground not allow for their proper implementation.

With regard to the Facility and Madad, the implementing partners will comply with the monitoring and evaluation requirements of the Facility. They will report quarterly on agreed Facility Results Framework indicators. This reporting requirement comes in addition to the obligations that partners have as part of their reporting against log frames. Each partner will only be required to be reporting on those indicators that directly correspond to their projects.

#### 4.6. Evaluation and audit

Projects shall carry out an obligatory final evaluation, and one external audit per year. Whenever possible, evaluations will be jointly carried out by partners. This will also contribute to harmonise further and higher education support to Syrian refugees and to the host countries in the region, in order to make technical co-operation more effective in line with current EU guidelines<sup>15</sup>.

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

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<sup>15</sup> EC Guidelines No. 3, Making Technical Co-operation More Effective, March 2009.

#### **4.7. Communication and visibility**

While communication and visibility of the EU is a legal obligation for all external actions funded by the EU, to date the visibility of the EU's support to the Syrian crisis, in particular in neighbouring countries affected by the crisis, has been insufficient. The public perception is that the EU is not addressing the Syrian crisis, when in fact it is the largest donor. The lack of visibility to the EU's actions weakens the EU's political traction in the region and its standing in Europe.

Therefore, communication and visibility is an important part of all Madad Fund programmes factored into the implementation in order to underline its importance at all stages of the planning and implementation of the Programme.

All visibility actions by Madad Fund implementing partners outside areas of conflict should be stepped up. Each implementer will have to draw up a comprehensive visibility and communication plan for their respective target country/community and submit a copy for approval to the Madad Fund and relevant EU Delegation. The related costs will be covered by the budgets of the contract as part of the project.

The measures shall be implemented by the implementing consortium/ia, its contractors, and/or its grant beneficiaries. Appropriate contractual obligations shall be included in, respectively, procurement and grant contracts.

The Communication and Visibility Manual for European Union External Action together with specific requirements to highlight the Madad Fund shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

All visibility and communications actions need to be discussed with the Madad Fund in order to ensure coherence and uniformity in messaging and branding. The Madad Fund's visual identity needs to be incorporated in all activities carried out by the implementing partners.

All communication and visibility-related activities included under this particular project would need to take place with due regard to the Facility Communication Strategy.